

A SURVEY OF
202
ENTERPRISES

Workers' Perceptions of
**COMPANIES'
COMPLIANCE
with CORE LABOR
STANDARDS
and CODES
of CONDUCT**
*in Selected Economic Zones
and Industrial Areas
in the Philippines*

ISBN 971-8531-49-1



**USAID/Solidarity Center/TUCP
Anti-Sweatshops Project**

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This publication was made possible through the support provided by the United States Agency for International Development (USAID), under the terms of AID Buy-in Grant No. ACILS DGC-A-00-02-00002-00. The opinions expressed herein are those of the authors and do not necessarily reflect the views of the Solidarity Center and the USAID.

Design, layout and printing by
YC Publication Consultants.
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Executive Summary



The TUCP/Solidarity Center/USAID Anti-Sweatshops Project conducted a random sampling (with replacement) study involving respondents from a total of 202 enterprises (81 garments and 121 non-garments) in economic zones in six areas (in Laguna, Bataan, Clark, Cavite, Subic, Tarlac) as well as in various parts of Metro Manila.

The Study was conducted over the period September 2000 to May 2001.

The study inquired into the working conditions prevailing in these enterprises, in terms of compliance with national and international standards of worker protection; and the climate for organizing workers and unionization in these enterprises.

The results indicated widespread violation of minimum international standards for humane working conditions, as provided for under ILO core standards, Philippine laws and regulations, and even the corporations' own code of conduct.

- 10% of enterprises have at least ten-hour days; working hours average 50 hours per week;
- 37% of garments companies pay their workers below the minimum wage;

- 39% impose forced overtime/non-payment/underpayment of overtime;
- 20% do not pay the 13th month pay;
- Over 25% do not comply with the minimum five-days leave; 47% of garments companies are violators;
- 28% do not pay maternity leave or pay below the required rate
- 30-35% do not pay/remit government-mandated health benefits and social security insurance;
- 96% violate safety and health standards; 65% of enterprises have complaints of heat, 60% have complaints of noise; 43% have no safety committees; 25% do not provide safety equipment;
- Almost all companies violate the national regulations on toilet facilities and
- Impose stringent requirements for the use of toilets;
- 20% have no provisions for drinking water
- 20% practice gender-based discrimination (i.e., forced leave without pay of pregnant women, termination after giving birth; lower wages, sexual harassment)
- 30% resort to non-regularization of workers such as extended apprenticeship programs, re-hiring of workers as contractuels after five-month contracts
- At least one company uses drugs to keep workers awake during prolonged overtime;
- Companies with corporate codes of conduct or covered by industry agreements did not take compliance with these instruments seriously;
- Almost all enterprises targeted for organizing made overt and covert actions to prevent union organizing. Threats, harassment, intimidation, transfers, even dismissals of union officers and activists were common. As a last resort, (after applying all legal and procedural delays to deter/frustrate the workers campaign to form unions), a number of firms resort to plant closure.



1

Work Hours and Workers' Pay

A. Work Hours

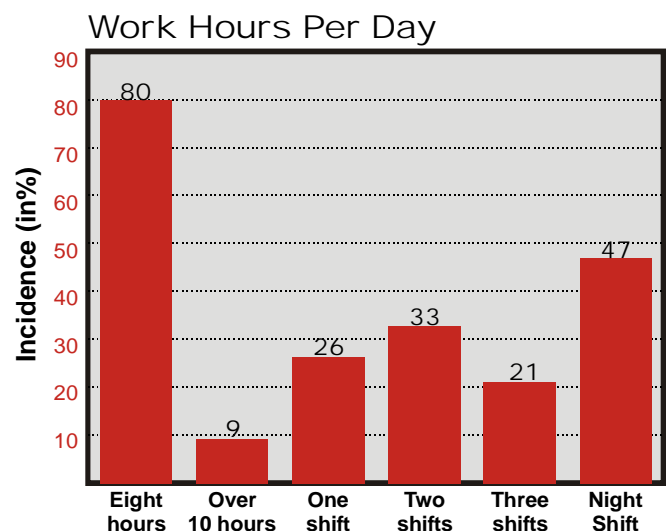
Working hours in the economic zones are long, 50 hours per week on average. The comparable figure for the whole country is 43 hours per week.

The normal work day is eight hours for 78% of companies. The normal work day is over 10 hours for 9% of companies.

Companies operate one shift (26%), two shifts (33%), or three shifts (21%).

Night shift work is regular in 47% of companies.

To meet shipment deadlines, it is not uncommon for work beyond 12 hours. There have been confirmed reports of three straight days of work without break!



Three Straight Days

AT TEXWORLD INDUSTRIES, which makes t-shirts and baby dresses with brands/labels GAP, Tommy Hilfiger and Gymboree in Tarlac, management locks gates and holds time cards to force workers to work overtime. In peak seasons since 1999, employees were forced to work for three days straight without break to meet orders. After three days, workers were given only three hours break to go home and immediately get back to regular work. The three-day forced overtime ended in January 2002 when the company shut down allegedly for lack of orders. There are 170 workers (140 women) in the firm.

Extra hours on weekdays are required in 38% of the companies. More workers report that they are required to work extra hours in non-garment jobs (36%) than in garment production.

Over a-third (35%) of companies require work on Sunday or on workers' rest days.



This is Forced Labor!

FORCED OVERTIME, A NEW FORM OF FORCED LABOR, ALSO HAZARDOUS TO HEALTH

TO MEET EXPORT orders, many Philippine companies, including those inside economic zones, are resorting to a new form of forced labor – long, long hours of forced (many times under-compensated) overtime.

The practice has been around for many years, despite “diligent” labor inspection.

TUCP verifiers working in the Anti-Sweatshops campaign have been horrified by stories told by suffering workers [All companies in this article have been given other names to protect workers who supplied the information]:

- ❖ **AT Apparel Assembly**, a Filipino producer of baby dresses for JC Penney, Sears Roebuck and Little Beety in Rizal, overtime work averages seven hours a day with no morning and afternoon breaks.

During once a week overnight work, management distributes Duromine which keeps workers awake even for 24 hours. Pharmacists say that the drug increases adrenaline, produces an increase in heart rate and blood pressure, and causes dry mouth, insomnia and constipation.

- ❖ **A 24-YEAR-OLD** female operator’s three right hand fingers were cut by a pressing machine in the second week of overtime work in October 2001 at Charing Inc. in Subic. The company, a Taiwanese-producer of ACER computer parts, which are exported to US, Japan, Europe and Asia, forced workers to render 6 hours overtime work everyday for three weeks in September-October 2001 to meet orders.

A TUCP verifier said the management realized the need to put sensors as safety feature in the machines only after seven recorded accidents involving their pressing machine operators. However, forced overtime, which contributes to accidents, continues.

- ❖ Aloha Manufacturing Corporation (Manila) employees work for 20 long hours daily. NafNaf, GAP, Old Navy, Mackays and Barbie-labeled swimsuits, which are exported to the US, Europe, Japan, and U.K., are fashioned in this company.
- ❖ AT Dollar Save Philippines, a Korean-owned producer in Cavite of coats and pants with labels Abriani, Aldo Rossini, Brutini, Cornellie, Cross Windsor, Exhibit, J P Christopher, Moda Prima and Via Venetto, employees are forced to work overtime (until two in the morning) inside locked gates for two straight months. Employees are given only one-hour break for the whole day. At least one female employee has developed anemia from days and days of continuous 6 hours of overtime work.
- ❖ **“REGULAR” WORKING HOURS** average 20 hours a day for 6 days a week at Mayto Philippines, which produces bags, jackets, apparel and children’s wear for GAP and Old Navy in Cavite.
- ❖ AT Texworld Industries, making t-shirts and baby dresses with labels GAP, Tommy Hilfiger and Gymboree in Tarlac, management locks gates and holds time cards to force workers to work overtime. At one time, employees were forced to work for 3 days straight and afterwards, were given only 3 hours break to go home and get back to work.
- ❖ **EMPLOYEES ARE FORCED** to work overtime (even overnight) and are not allowed to go home at Gappers Philippines, Inc. in Cavite, a Korean-owned maker of GAP and Old Navy garments, which are exported to the U.S. and U.K. Some 551 employees work 10 hours for Php 217 a day; but union officers are banned from the “privilege”.
- ❖ Luggage Makers Corporation in Subic, a Taiwanese-owned manufacturer of plastic luggage cart (finished products and parts) and car wash brushes for brands like Louis Vuitton, Tumi and Sanyei for export to the US, Japan, England, Taiwan, China and Germany, at times makes employees work for 16 long hours a day to meet delivery schedules.

Workers' requests not to render overtime are routinely turned down. If workers do not comply with forced overtime, they are not allowed to go out of the company premises and are given warning memos the following day.

- ❖ **DKNY UNDERWEAR**, exported to the U.S., is fashioned at Korean-owned Underwear, Limited in Cavite. Workers complain of compulsory regular overtime of two hours a day, six days a week.

- ❖ **AT Infoware Corporation** in Subic, manufacturer of Acer, IBM, Dell, Toshiba desktops, laptops and parts for export to the U.S., Canada, Argentina and Holland, the regular workweek is 60 hours, but this extends to 72 long hours during the peak season.

"Hindi titigil ang operations hangga't hindi nami-meet ang quota for immediate shipment," a TUCP unionist said. [Operations continue until the quota for immediate shipment is met.] Just like Infoware's union-busting operations which have been going on for two years.

- ❖ **EMPLOYEES WORK** for 14-16 long hours a day and management pointedly implements forced overtime when the union calls for a meeting at We Care Corporation, a Korean manufacturer of bags with Jansport and Eddie Bauer brands in Bataan. Time cards are held in the office to prevent workers from leaving and escaping overtime work. The contracts of those who refuse to work overtime are prematurely terminated.

- ❖ **FORCED OVERTIME** is common at This Is It Inc., a Taiwanese manufacturer of microphones for Acer in Subic. At times, workers work until 11 p.m. (15 straight hours!) without break "to meet orders". Employees who do not comply with compulsory overtime are dealt with severely, with notices of offence or suspension. In one instance, shortly after management received the union's letter for voluntary recognition, a woman worker collapsed from hunger and fatigue as the company tried to spite the union and pushed overtime even longer than normal.

Many employees of these companies dare not complain or file cases for fear that they would no longer be asked to render normal overtime work and will lose extra compensation, or worse, get fired.

Article 83 of the Philippine Labor Code says “The normal working hours of an employee shall not exceed eight hours a day.” Article 87 of the same Code says “Work may be performed beyond eight hours provided that the employees is paid for the overtime work, an additional compensation equivalent to his regular wage plus at least 25% thereof...”

The law is clear on compensation that employees must receive for overtime work, but there are no limits on overtime hours. There is less concern on effects of long hours of forced overtime on workers’ health.

Experts say there are no studies on the relationship between forced overtime and health problems, and not all studies confirm the harmful effects of working long shifts. But job stress—which many employees say is exacerbated by mandatory overtime, can be hazardous to health.*

“Job-related stress increases the risk of muscle and skeletal disorders, heart disease, depression and burnout, according to the National Institute for Occupational Safety and Health (NIOSH).”

NIOSH senior scientist and psychologist Roger Rosa, Ph.D., notes that “frequency of overtime hours, outside emotional support, day or night hours (night is worse), job tasks and workload increases the effects of workers’ stress.”

A 1999 Canadian account on extensive working hours found that workers experienced increased depression, such as unhealthy weight gain in men and drinking in women. Japanese employees encountered an increase in cardiovascular difficulties. “And a 1998 German study found that workers experienced a significant rise in accidents and traumatic incidents after nine to 10 hours on a shift.”

Dr. Rosa says stress levels surge when employees are unable to predict or regulate their work schedule. “In general, stress issues go up when control goes down. And control over your working hours is fundamental to how you organize not only your work life, but also the rest of your life.”

With increasing numbers of companies implementing forced overtime, workers’ well being is continuously jeopardized. Workers and unions are fighting back, building awareness and spreading information on labor standards, and organizing workers around long forced overtime as an issue, among many issues.

That is another story!

*Stein, Loren. Consumer Health Interactive,
(www.mylifeguardforhealth.com/topic/overtime),
May 27, 2001



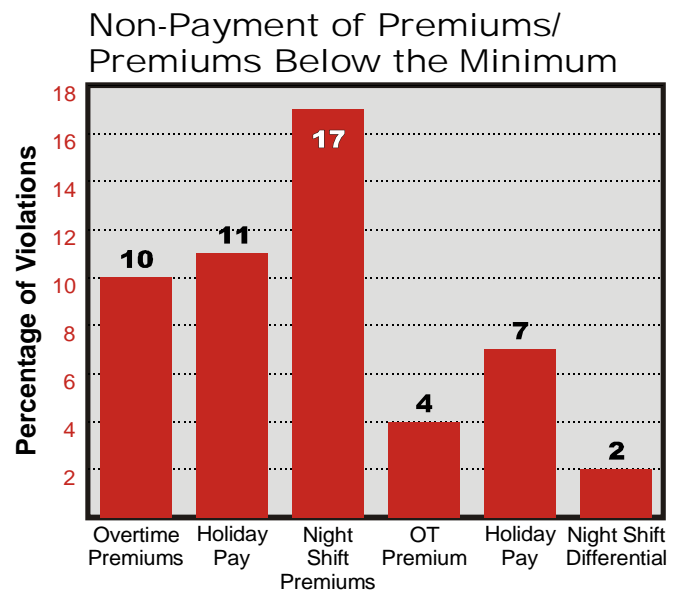
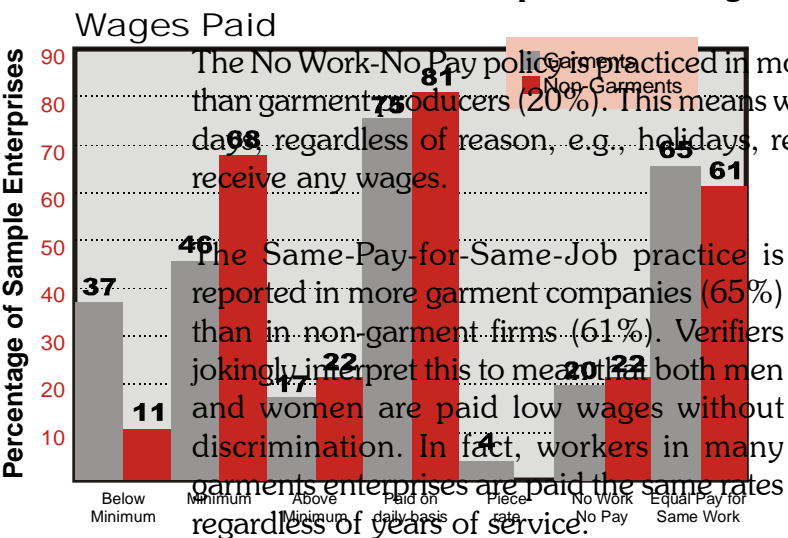
B. Workers' Pay

A high 37% of garments companies and 11% of non-garments companies violate the law on minimum wages.

The comparable rate for the country is 27 per cent, compared to the 22 per cent average for the sample enterprises..

Under Philippine laws, sub-minimum wages are allowed (apprenticeship, learnership, exemptions from coverage) for limited periods. Many employers have made unilateral extensions of training periods or induced workers to be apprentices for years and years.

Workers are paid predominantly on a daily basis in both garments (75%) and non-garments (81%) companies. Piece-rate workers are in four per cent of the garment factories sampled.



C. Premiums on Extra Work

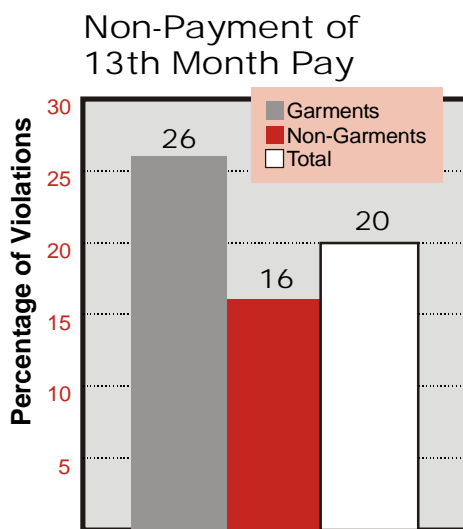
Payment for Overtime, Holiday and Night Shift work is spotty.

Some 10% do not pay overtime premiums 11% do not pay holiday pay, and 17% do not pay night shift premiums. Another four per cent pay below the statutory minimum (of 25%) for overtime, another seven per cent pay below the statutory 200% for holidays, and another 2.0 per cent pay below the statutory 10% night shift differential pay.

In addition, employers cheat workers by requiring longer hours, but causing the recording of shorter hours. Security guards, supervisors, and other personnel hold on to time cards and themselves post shorter hours in workers' time cards.

The level of knowledge of premium rates paid is appallingly low: workers in 44% of the companies could not specify what overtime rates they actually receive, almost 34% cannot cite the holiday pay rates paid by their employers, and 35% do not know the night shift rates.

Cheating is easy: workers do not know, are afraid to ask, or do not care about, the premium rates. Only when union activists come does the level of knowledge increases.



D. Other Wage Benefits

The 13th month pay is a legal requirement, but only 80% of companies pay this benefit. Some 26% of garments companies and 16% of non-garment companies violate the law.

It must be stressed that companies which violate the minimum wage law, by extension, also violate the law on wage-based benefits. The money equivalent of the wage-based benefits, e.g., overtime, leaves, 13th month pay, will be less than minimum required if companies paid the correct wages.



2

Work Leaves

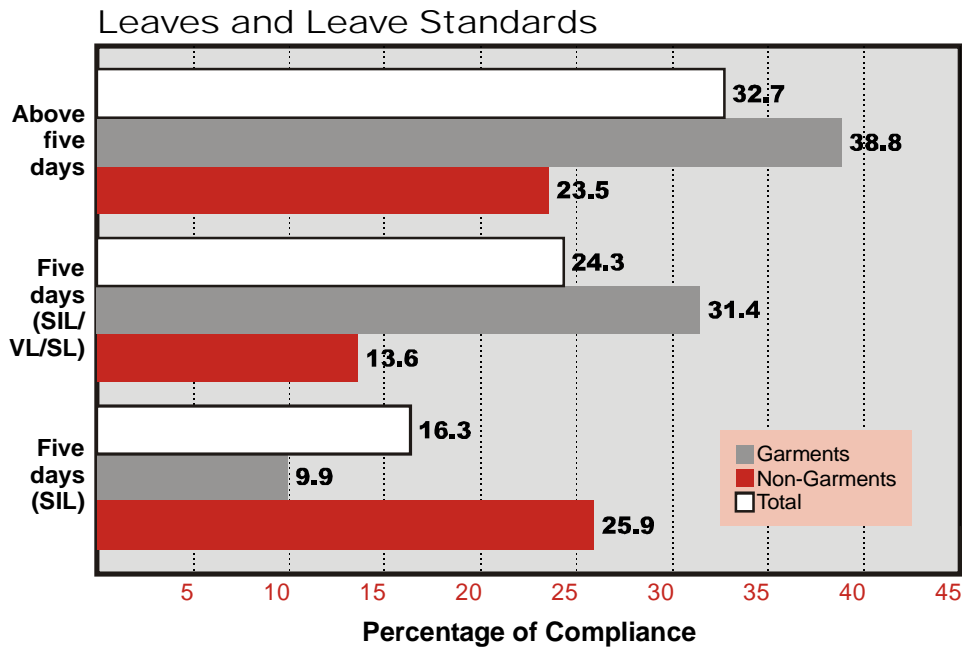
Leaves and Leave Standards

There is a high level of violation against the mandated leave provision (of at least five days leave).

Some 12.5 per cent of companies do not provide service incentive leave or sick leave or vacation leave. Another 14 per cent of companies grant annual leaves less than the minimum five days required by law.

One-third of the companies have provisions above the minimum (over five days leave). Another 41% have provisions at the standard five days.

Violations (as % of surveyed companies)			
	Garments	Non-Garments	Total
Service incentive leave			
Below five days	0	0	0
[Five days]	25.9%	9.9%	16.3%
[Above five days]	0	0	0
Combinations of SIL/VL/SL			
Below five days	18.5%	1.6%	14.4%
[Five days]	13.6%	31.4%	24.3%
[Above five days]	23.5%	38.8%	32.7%
None	18.5%	8.3%	12.4%
Maternity leave	28.4%	19.8%	23.3%
Paternity leave	50.6%	19.1%	31.7%



Up to 63% of all garments companies, as well as 80% of non-garment firms, provide at least the standard benefit.

Regardless of the law, leaves are not allowed when shipments are due. Workers are disciplined harshly, even dismissed, when they refuse to work overtime. There are cases of workers dismissed when their leaves are disallowed and they proceed to go on leave just the same.

Over 23% of companies violate the maternity law, and an additional 5% of companies pay maternity leave benefits below the legal provision.

Almost one third companies violate the law on seven-day Paternity leaves, a new standard which was legislated in 1995.

Only one-third of companies convert unused vacation/sick leaves to cash. Most unused leaves are forfeited in favor of the company.

Bereavement leave is given in 22 companies, with duration mostly below 7 days.



Social Insurance

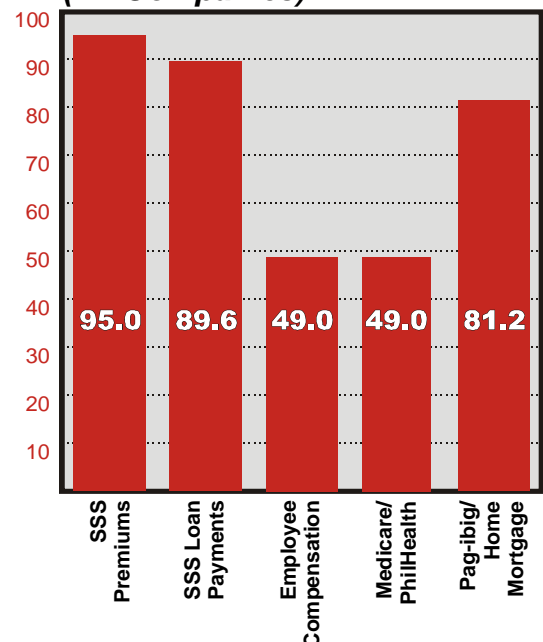
A. Deductions

Workers say 95% of all firms deduct from salaries for their Social Security System (SSS) contributions. The deduction rates are lower for SSS payments for salary loans (90%), Medicare/Philhealth (87%), and Pag-IBIG (81%).

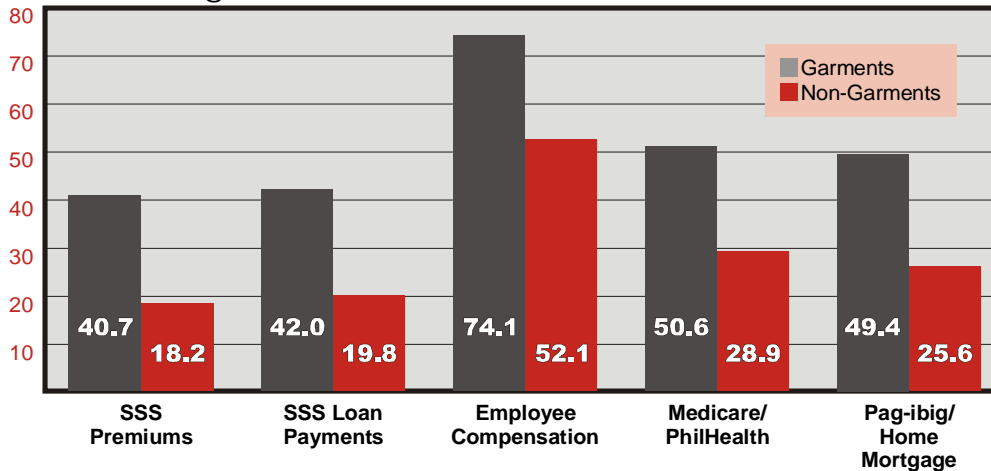
In all kinds of contributions, garments companies are less religious in deductions than non-garments companies.

There is low awareness of the Employee Compensation Commission (ECC) and its benefits. ECC contributions (P10 for all workers) are borne by the employers only. The worker/employee pays no contribution to ECC.

Percentage of Remittance of Deductions
(All Companies)



Percentage of Non-Remittance of Deductions



B. Remittance of Deductions

Deducting workers' contributions for social insurance is one aspect of the problem. Actual remittance of these deductions and employers' counterpart contributions is another.

Many enterprises do not remit deductions and the employers' counterpart. A horrible 41% (versus 91% who make deductions) of garment firms do not remit SSS premiums. Over 18% of non-garment companies (97.5% make deductions) do not remit the same.

The remittance rates for SSS loan payments are similarly lower than collection rates (80% among non-garment companies and 58% among garment firms).

On average, there is some 20% difference between the proportion of companies deducting worker contributions and those actually matching and remitting such contributions.

This is the norm for all other types of contributions including Philhealth and Pag-ibig and ECC.

Workers find out they are being shortchanged only when they try to avail themselves of salary loans. Many times, salary loans or social insurance benefits are turned down by SSS or Philhealth or PagIBIG because employers have not remitted premium contributions or salary loan repayments.

Many organizing campaigns and union successes were built on issues of social insurance collection and non-remittance.



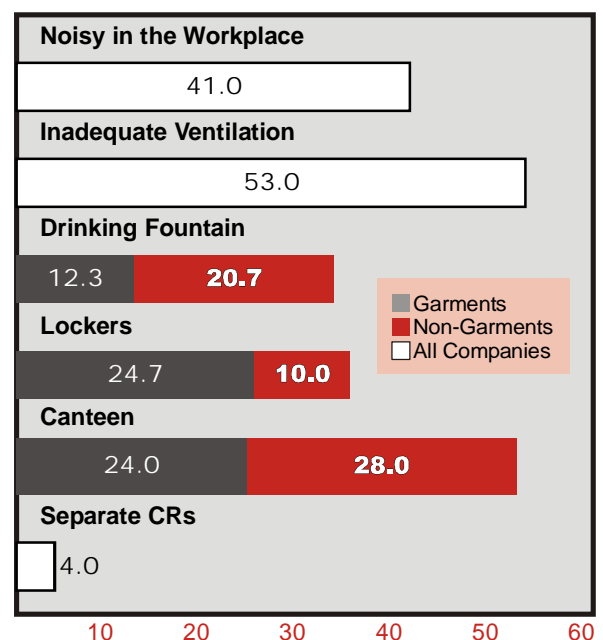
Occupational Safety and Health

A. Minimum Expected Facilities

Employers are required to provide certain basic “expected” facilities.

Fully 96% provide separate toilets for male and female workers. What is remarkable is that four per cent of companies do not provide separate toilets. Given the predominance of female workers especially among garment firms, the practice is criminal.

The actual condition of these facilities, in terms of cleanliness and adequacy (number of workers per toilet for males and for females), is nothing short of appalling. Many, many workers share few toilets, when the minimum standard is 20 female workers or 20-60 male workers per toilet. Also, restrictions on the use of toilets border on the inhuman.



Employers are causing kidney and UTI problems —TUCP

COMPANIES' FAILURE to provide sufficient and clean rest rooms (CRs) and severe restriction on their use are resulting in an explosion of UTI and kidney problems among many workers, increasing absenteeism and jeopardizing workers' health and productivity.

Companies say workers waste their time in the CR, disrupting work and assembly lines, thus prompting the CR restrictions. Not contented, some companies even have removed mirrors inside toilets.

Physicians say an average person urinates five times during the day; irregularity can lead to UTI (urinary tract infection) and kidney problems, which can lead to high blood pressure (depending on age) or even renal failure.

Consider these:

- ❖ **SINCE JANUARY 2002**, We Care Corporation, a Korean-producer of Jansport, Eddie Bauer and Outdoors bags which are exported to the U.S. and Korea, has implemented the CR pass scheme for its workers. One CR pass is shared by 110 workers and only one worker can use the CR at any given time.

Nida, a sewer who contracted UTI, argued, "*Makakatagal ka ba naman sa CR na 'yun? Napakadumi. Wala ngang makatagal na tagalinis sa CR na 'yun e.*" (No one will stay there for long because it's very dirty. No janitor has endured cleaning the CR.). No one cleaned the CR at first, and it posed a problem for workers since the canteen sits beside the toilet.

- ❖ **AT JJJ Corp.**, a Korean-maker of Adidas, Tommy Hilfiger, Old Navy bags which are exported to China, Hong Kong and US, there are only 3 toilet bowls for 300 female workers and a single toilet bowl is shared by 200 male employees.

TUCP verifier Abigail (not her real name) said, "*Madumi 'yung CR at maamoy. Magtatakip ka talaga ng ilong. Nagtatanungan nga dun kung ano ang pelikula sa haba ng linya.*" (The CR is very filthy and it smells. You need to cover your nose. Those who go to the CR ask what movie is being shown because of the long line of CR-

goers – which looks like a line in a theater ticket booth). At any given time, five to ten workers can be seen falling in line before the rest rooms.

❖ **EIGHT HUNDRED WORKERS** are employed at CCC Corporation, a US-exporting maker of Brooks Brothers, Prince Frederick and Neema garments. Five hundred sixty-seven women (567) share only four toilet bowls while 233 men share one toilet bowl and a meter-long urinal. Management also implements the use of one CR pass per 100 workers.

❖ **ONLY 6 TOILET BOWLS** are allotted for 250 women and 2 toilet bowls for 60 male workers at SBS, a Korean manufacturer of Panasonic RF modules and antennas, which are exported to China and Korea.

❖ **AT SSS** in Quezon City which produces JC Penney, Sean John and Erika jackets and pants for export to the US, 220 women share 5 cubicles and 80 men share 5 toilets. Cleanliness is spotty.

❖ **AT UNION-BUSTER SPS Corporation** which produces DKNY apparel for the US, 65 women share two toilets, 135 men share one toilet.

❖ **AT Apparel Assembly Inc.**, maker of Little Beetty, Sears Roebuck and JC Penney-labeled baby dresses which are exported to the U.S., workers are allowed to use the rest rooms only once in four continuous working hours,. They are required to sign an attendance sheet and are reprimanded when they use the CR more than once. Worse, they are not given morning and afternoon breaks which could have been used for toilet processes.

Table H.1

No. of toilet bowls	Female	Male <500	Male 500>
1	1-20	1-25	1-60
2	21-40	26-50	61-120
3	41-60	51-75	121-180
4	61-80	76-100	181-240
5	81-100	101-140	241-300
6	101-130	141-180	301-360
7	131-160	181-220	364-420
8	161-190	221-260	421-480
9	191-220	261-300	481-40
10	221-250	301-340	541-600
11	251-280	341-380	601-660
12	281-310	381-420	661-720
13	311-340	421-460	721-780
14	341-370	461-500	781-840

Training Manual on Industrial Hygiene, Re: Implementing Rules and Regulations on Chapter VII-Industrial Hygiene of the Sanitation Code of the Philippines, P.D. 856, Occupational Health Division Non-Communicable Disease Control Service Department of Health, Manila, 1994, p.60.

Compare these: there are 5 CR cubicles for women and 3 cubicles and 7 urinals for men in an ordinary movie theater that has a 700 seating capacity.

A huge public high school in Quezon City has 15 functional but not well-maintained CR cubicles for 5,000 female students.

The OSH Standard of the Department of Labor and Employment (DOLE) Rule 060.01(5) on Premises of Establishments requires “adequate comfort rooms and lavatories separate for male and female workers; adequate dressing rooms for female workers and locker rooms for male workers – in accordance with Article 132, Chapter I, Title III Book III of the Labor Code of the Philippines. The number of comfort room facilities for a given number of workers shall conform with the requirement of the Department of Health.”

Only companies with toilet and bath facilities, restrooms, dining facilities and mess halls can be issued Sanitary Permits (according to the Implementing Rules and Regulations on Chapter VII-Industrial Hygiene of the Sanitation Code of the Philippines, P.D. 856 as provided by the Department of Health).

Toilet facilities must “provide privacy (enclosed and partitioned), [must be] accessible, kept clean and orderly, sufficiently ventilated, interior not visible from outside and [must have] separate and properly-indicated approaches. Restrooms must be: conveniently accessible, kept clean and orderly, minimum space for 10 workers is 6.0 square meters, and minimum addition of 0.2 square meter per additional employee.” (Training Manual on Industrial Hygiene, pp. 61-62)

The DOH Training Manual on Industrial Hygiene specifies the number of toilet bowls required for certain numbers of workers.

However, few companies comply with the requirements.

Where's the DOLE and DOH? Maybe overstaying in the CR?

Only three-fourths of companies have their own canteen facilities. About 24% of garment firms and 28% of non-garment companies lack facilities for their employees to take their meals.

A shocking 12% of garment producers and 21% of non-garment firms have no drinking fountains. Workers have to bring their own drinking water.

Close to 85% of companies provide lockers. 25% of garment firms and 10% of non-garment companies do not provide lockers.

A third of companies provide workers' quarters: 45% among garment companies, 22% among non-garment companies. The incidence of “stay-in” workers is high in garments. There are also less regular garment workers (45%) than regular non-garment workers (64%).

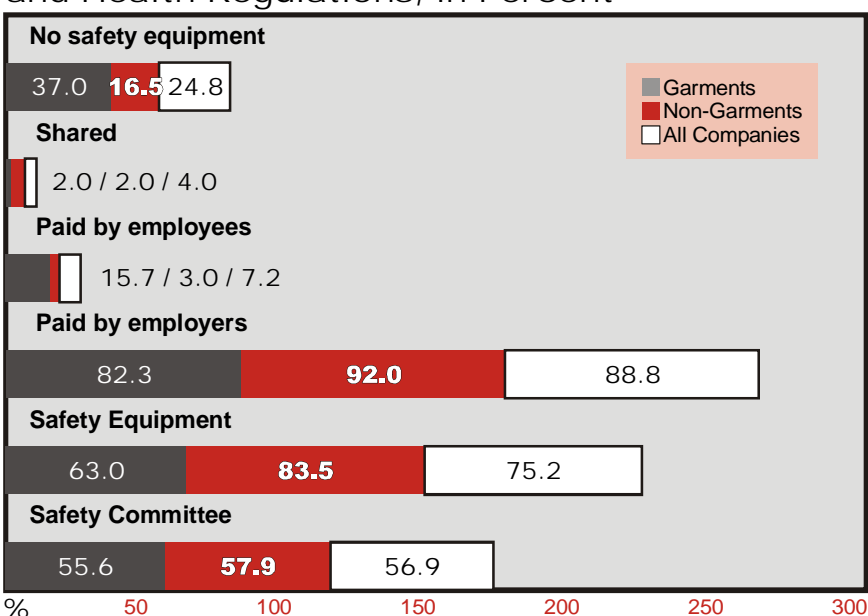
A low 31% have recreation facilities for workers: 18% for garments companies, (36% for non-garments. The facilities range from the simple (chess or Chinese checkers) to exercise gyms and audio-video rooms.

Ventilation is a major concern. There are complaints of inadequate ventilation in 53% of sample firms. There are complaints of noise in 41% of enterprises.

A measure of companies' low compliance with the law: Some 43% of employers have not organized Safety Committees. A fourth do not provide safety equipment: 47% in garments, 17% in non-garment enterprises. In the enterprises which provide safety equipment, the equipment is paid by the employer (89%), or the workers (7%), or shared by the employer and the workers (4%).

In one company producing parts for a computer company, the employer waited for seven accidents involving the same offending machine before making any corrections.

Violations of Occupational Safety and Health Regulations, in Percent



5

Gender Issues and Maltreatment

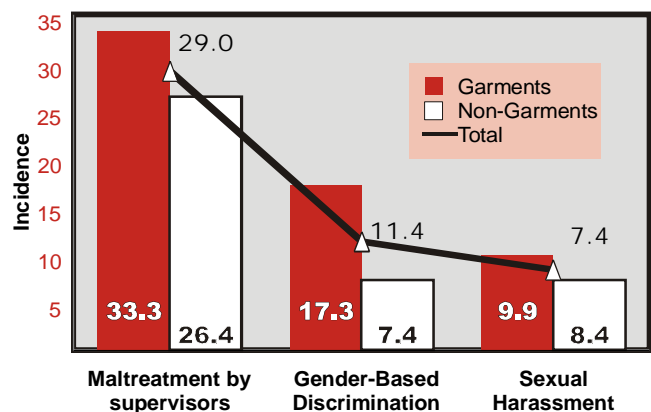
A. Discrimination, Harassment, Maltreatment

The survey reveals relatively low levels of perception of gender-based discrimination (11%). However, gender-based discrimination in garment firms is double (17%) that in non-garment firms (7%).

Employers prefer employing singles, and discriminate against women when they get married.

Pregnant women are not moved to assignments more appropriate to their condition. In at least two cases, women miscarried at the factory site.

Workers not allowed to go back to work when they have children are not unusual. In one company producing parts for radio equipment, at least 60 women were not allowed to get back to work after delivery.



Workers say some eight per cent of companies have incidence of sexual harassment. This translates into 17 enterprises with reports of sexual harassment.

Verifiers indicate higher incidence of discrimination and sexual harassment in follow-up, probing, questions after the survey.

A high level of maltreatment by supervisors is reported (29%). Verbal abuse, physical abuse, even unusual punishment for infractions (women made to stand on tables, workers sprayed with insecticide) have taken place.

Workers largely endure this maltreatment, until they have had enough. Several years ago, an erring Korean employer departed the country posthaste, chased by angry workers.

What women put up with in sweatshops

THERE ARE MANY laws, rules and regulations upholding the rights of women workers in the country.

Despite, many women workers (especially unionists) are victims of discrimination, harassment and abuse in their work places.

Oftentimes, women tolerate dire conditions and shun complaining or more forceful action for fear of losing their jobs.

Consider what women put up with in sweatshops:

The plight of pregnant workers

- ❖ Pregnant workers of SBS are placed on forced leave without pay from the fourth month of pregnancy. Worse, they are not allowed to go back to work even one year after giving birth. Workers said the management wants to avoid paying maternity benefits.

“One of the workers had a miscarriage in the company rest room in 1997. Since then, pregnant workers had been placed on forced leave,” said Joana, a five-year employee in the firm, which produces Panasonic-labeled antenna and radio frequency (RF) modules that are exported to Korea and China.

Joana added, “One of my co-workers who inquired at the Social Security System was told that her maternity benefits were already forwarded to the company. After three months, management was still telling her that they don’t have it.”

- ❖ Workers suffer the same fate at Texworld Industries Corporation, which employs 170 workers (140 women). Pregnant employees are placed on forced leave and are not reinstated after delivery. The Canadian/British firm manufactures t-shirts and baby dresses with brand/labels B. T. Kids, Gap, Genuine MM, Gymboree, Karen Scott, Old Navy, Tommy Hilfiger and Polo in Tarlac.
- ❖ Pregnant workers are forced to take leaves without pay from the 7th month of pregnancy at SPI Phils. [Cavite] which employs 300 workers (180 women). The Korean company manufactures telephone keypads and remote controls with brands/labels AT&T-200C, IRC-426, ECHO-103602.
- ❖ At DY Corporation, a Korean producer of t-shirts and blouses for GAP in Cavite, pregnant workers are forced to work overtime even at night, posing risks to their health. There are 500 workers (420 women) in the firm.
- ❖ At KS International, Inc., a Korean manufacturer of GAP t-shirts, jackets, pants and short pants, a worker had a miscarriage inside a company comfort room in 2001 because she was not allowed to take a leave

The Department of Labor and Employment Primer on the Rights of Women and Young Workers says, “ It shall be unlawful for any employee: (1) To deny any woman employee the benefits provided for by the Labor Code or to discharge any woman employed by him or her for the purpose of preventing her from enjoying any of the employee benefits; (2) To discharge a woman on account of her pregnancy or while on leave or in confinement due to her pregnancy; (3) To discharge or refuse the admission of such woman upon returning to her work for that she may again be pregnant. (<http://www.dole.gov.ph>, 2001)

Despite this, the injustice continues.

Harassment at work

- ❖ Women workers of NKY International, a Japanese importer/exporter of second-hand garments and manufacturer of hand gloves, complained that male security guards inspect the color and brand of their underwear. They said that they are frisked when entering and leaving the company.
- ❖ At Underwear Ltd., women contractual workers allege that Korean managers tap them in the buttocks and embrace them. The Cavite-based Korean company produces women's underwear with brands DKNY, American Eagle, La Senza and blouses with J. Jill brand. The company employs 420 workers (378 women).
- ❖ Some women workers allege that, in a company outing, *hinipuan sila ng* supervisors [supervisors touched their genitals] at DE Electronics, a Korean producer of telephone accessories with brands/labels Hello Direct and Sprint.
- ❖ In UWR Corporation, a Taiwanese-owned producer of woven fabrics and textile-based products in Bataan, a worker formally complained in August 2002 that the plant manager held her hand, placed his hand on her shoulders, stroked her arms and back, professed his love – all unwelcome – on different occasions. The manager's mood changed after the complaint; the poor worker had to endure verbal abuse and dagger looks. The worker stopped coming to work, while the complaint in the company, which employs 120 other women workers, remains in limbo.
- ❖ Two women workers at PF Corporation, a Filipino-Chinese packer of cooking oil (Golden Oil), flour and skim milk in Metro Manila, complained that, in 2000, a company supervisor, guard and foreman, asked for sexual favors in exchange for not reporting infractions.

Physical/verbal abuse

- ❖ VPS Corporation [Cavite] employing 90 workers (63 women) is a Korean producer of baby dresses with brands/labels New York, Novelty, Gap and DKNY. In December 2001, a woman Korean production manager struck a 40-year old

woman worker for allegedly not following instructions. The woman suffered hematoma.

- ❖ A woman worker collapsed from hunger on January 25, 2002, when workers were forced to work overtime until 9 p.m. without break at This Is It Inc. The Taiwanese firm manufactures microphones.
- ❖ Aloha Manufacturing Corporation [NCR] is a Filipino-Chinese producer of t-shirts, undershirts and swim suits with brand/labels Gap, Naf-Naf, Old Navy, Mackays, Barbie, and Freeway. There are two hundred (160 women) workers in the company. Women workers complain that the company president always verbally abuses them.
- ❖ In 2001, as alleged punishment for an unspecified infraction, a sewer was made to stand on a table for hours in full view of other workers at Dollar Save Philippines, a Korean firm producing coats and pants for Asia, Europe and the US.
- ❖ In December 2002, during overnight work, the snap machine used for placing buttons on clothes caught Mon's right thumbnail. Mon, 35, a sewer at SGD Corporation in Angono, Rizal, used her teeth to remove the button from her nail only to find that the machine had dug a hole in her thumb. "Take two Amoxicillin tablets and get back to work," her supervisor told her after she asked for help.

"When there are orders for immediate shipment, you couldn't refuse to work overnight even if you're not feeling well," Mon said in the vernacular.

Three days after, the same machine caught her left finger even as her thumb was still swollen and throbbled with pain.

The Filipino-Chinese SGD Corporation makes baby dresses, pants, blouses and jackets with labels Ralph Lauren, Walt Disney, Hello Kitty, McDonald's, GAP, Spider Man, Young Land and Rose Cottage.

Some Other Forms of Discrimination

- ❖ Jalilah is a deeply religious Muslim; in conversations, she quotes from the Koran. One day in 2001, a manager at Mayto Philippines, ordered Jalilah to stop wearing her veil,

saying he connects it to terrorism. The Korean firm manufactures bags and apparel for Old Navy and GAP.

- ❖ In a company in Cavite which produces wire harness for cars and motorcycles, women applicants for work are examined to confirm if they have not given birth. Applicant Gracia says women are *pinatutuwad* and poked and probed in the genital area. This practice is common among companies who seek to avoid employing workers with families or those with children.

Women union officers and members also get hit with union-linked discrimination practices by employers – harassment, suspension, transfer, demotion, even dismissal. They are no less vicious than those suffered by their male counterparts.

Women endure these, and more, in many workplaces. They are committed to the struggle for unions to protect their rights. They, in solidarity with other union members, will win, in the end.

Surprisingly, housing is considered a major concern by workers only in 4.5% of enterprises. Workers live in flimsy houses, with the barest of facilities. Or they share small rooms with barely enough room to move around.

The issue of transportation is significant among workers of non-garment enterprises (30%), but only slightly so among workers in garments (16%). Workers cite that those on overtime or those working unusual hours are the ones disadvantaged.

The most prominent issue is, no surprise, wages. Wages are a contentious issue in 54% of enterprises: 64% in garments enterprises, 46% in non-garment firms.

Around 30% of workers, on average, rate safety and health as among major issues that deserve group action. This figure is consistent with the proportion of firms that are rated “warm” or “noisy”, but lower than the proportion of companies with violations on provision of safety equipment and on safety committees (more than 50%).

In fact, deeper probing indicates that all sample enterprises are guilty of violating one safety and health regulation or another, minor or otherwise.

B. Organizing Climate

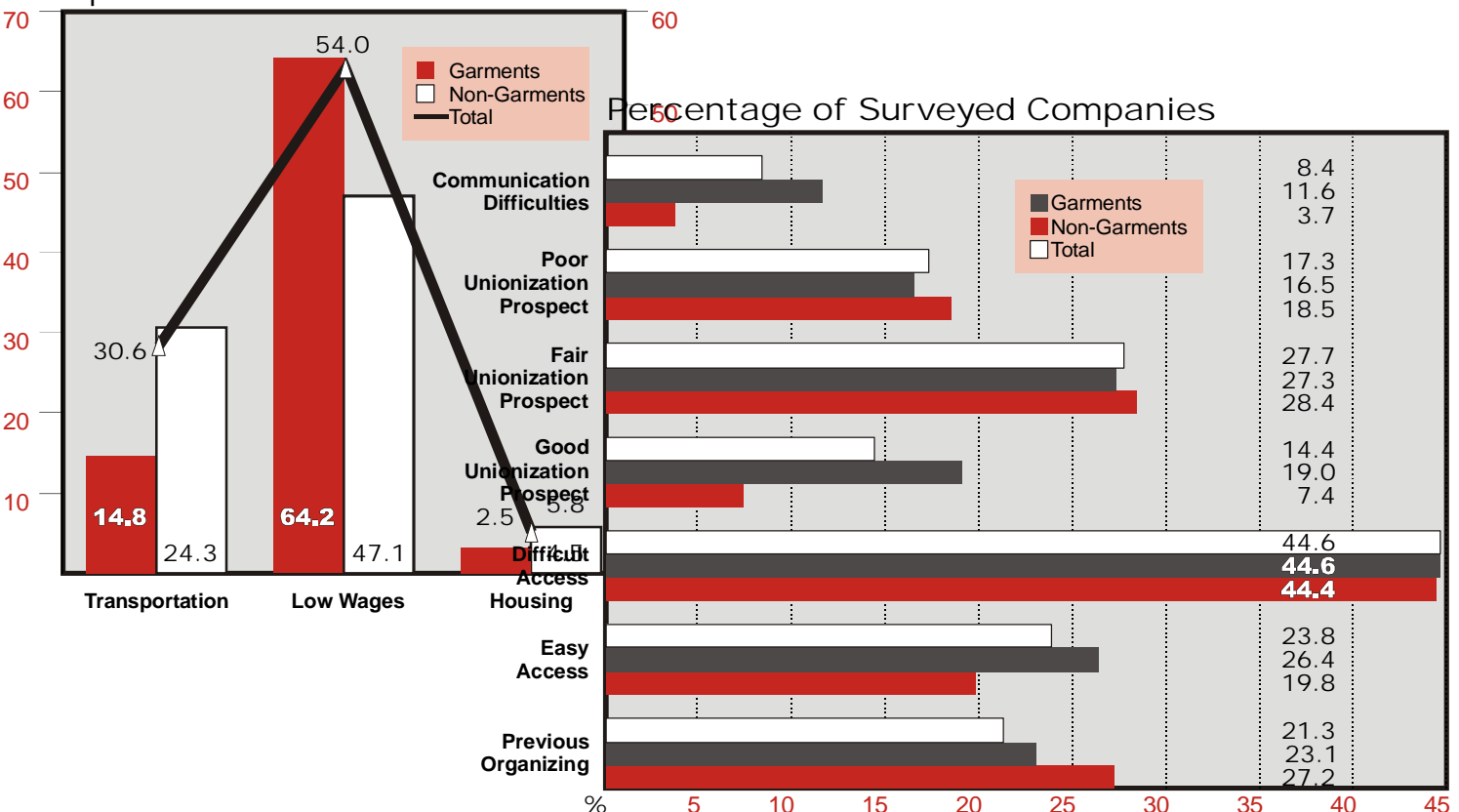
Only a little over one-fifth of all sampled firms are reported to have been subjects of recent organizing efforts. Some 45% of sample firms appear either to be difficult terrains for organizing or have just been uninteresting spheres for union organizers.

Respondents themselves rank 44% of sample firms as difficult to access by organizers. Only 23% are considered easy to access. Economic zones are not open areas, and individual company compounds within ecozones complicate matters.

Workers rate 17% of enterprises as “worst case” firms or firms that are perceived as impossible to unionize. These are firms with “poor” organizing prospects.

Workers do not perceive communication as a major problem for organizing.

Special Grievances



The profile of workers, as summarized by worker-respondents in the enterprises: almost 80% are high school graduates. There is a larger proportion of college level graduates among non-garment workers (18%) compared to garment workers (1%). The high level of educational qualification does not guarantee receptivity to, or automatic acceptance of, unions.

The proportion of non-Catholics among garments workers is high, at 9.9%, compared to 7.4% in non-garment firms. The proportion of non-Catholics to the general population is estimated to be closer to 2.5%. The higher percentage among garment firms may be explained by a policy of some companies of hiring employees from certain sectors (e.g. Iglesia ni Kristo) who are perceived to be non-union in orientation.

There have been a few success stories in reaching them, however, including a union president and a number of activists in enterprises undergoing organizing. There are not too many of them (yet).

Tagalog is the preferred and practical medium by up to 70% of workers. Only 12% are comfortable in English.



Compliance with Corporate Codes of Conduct

Of the 202 companies, 32 (20 garments, 12 non-garments) are covered by their own corporate codes of conduct. An additional 19 companies are covered by the WRAP MOC as garments exporters to the United States.

On the basic items on information dissemination on codes, many companies were found non-compliant.

Only 10 garments companies with codes post copies of their codes in the company premises. They post codes in the office (2), in the (one) bulletin board (2), before the bundy clock (2), in the production area (2), in the toilet (1), at the entrance gate (1).

Compliance with Corporate Codes			
	Garments	Non-Garments	Total
Companies with codes based on the checklists	20	12	32
Posted	10	7	17
Awareness of workers	3	4	7
Complying	x	x	x
Companies with codes based on evaluation			
Codes only	23		
WRAP only	19		
Codes + WRAP	39		

A corporate code of conduct is a written statement of principles (labor practices, environment) a multinational company (MNC) has adopted to be applied in its outsourcing operations overseas. The MNC commits that its contractors, subcontractors and suppliers will comply with the MNC code on pain of reduction or withdrawal of business or orders.

Most of the principles pushed in corporate codes are (according to the ILO): occupational safety & health (75%), non-discrimination (75%), child labor (45%), wages (40%), forced labor (20%), freedom of association (15%).

Additionally or alternatively, there are pledges in the codes to comply with national law and practice, sometimes with particular industry standards which are higher than those provided under national regulations.

Codes are usually associated with brand names, with the MNCs perceived as concerned more with image and customer perceptions, rather than genuine concern with workers' conditions of work and life in their affiliated companies.

The WRAP MOC (Memorandum of Cooperation) can be considered as an industry-wide code of conduct as it binds Philippine garments exporters to the US to "cooperate" with the American Apparel Manufacturing Association's Program on Responsible Apparel Production (RAP), related to the promotion of Labor Standards and the eradication of sweatshops in the United States and other areas abroad, by adhering to the agreements establishing the RAP - outlining acceptable work practices and defining decent, and humane working conditions, in the areas of Laws and Workplace Regulations, Forced Labor, Child Labor, Harassment or Abuse, Compensation and Benefits, Hours of Work, Discrimination, Health and Safety, Freedom of Association, Environment, Customs Compliance, and Drug Interdiction.

Only few companies take pains to explain codes to their workers. It is then no surprise that workers know of codes only in three garments companies. Most workers are aware only of the company's code of conduct *on discipline*.

In addition, an independent evaluation of the sample garment enterprises show that, unknown to their workers, 23 more enterprises have codes, and 40 are covered by the WRAP MOC.

Thirty-nine enterprises are covered by codes and WRAP simultaneously; they are Philippine garments exporters to the US who are covered by individual corporate codes of conduct.

In all the verification exercises, workers have heard of auditing only in three garments enterprises.

Compliance appear better in non-garments enterprises.

Indications are that some enterprises with codes have symbiotic relationships with their auditors. Enterprises have gotten away with choosing workers for interview by auditors (despite *diligent* sampling by auditors), or preparing or prompting workers what to say or how to behave in interviews during auditing.

In any case, the degree of companies' compliance with the voluntary codes or WRAP is lower than enterprises' compliance with existing national regulations.



Compliance with Freedom of Association



Organizing Experience

Of the 202 companies surveyed, 69 were the subject of verification for compliance with Freedom of Association by the Anti-Sweatshops campaign.

Verifiers devoted time (ranging from six to nine months, by the end of the survey period) to actual organizing of unions in these 69 companies to test their compliance with provisions of their codes, or the WRAP MOC, or national regulations, on freedom of association. The issues used for union organization were the findings from this survey of 202 enterprises.

All campaigns were met with fierce resistance, overt and covert, at every stage. From the organizing of core groups to the campaign for signatures for registration to the petition for certification election (CE), even to the actual CE itself. Regardless of the nationality of the enterprise or the MNC.

Violations of Freedom of Association by Sample Enterprises

Warning not to attend meetings	6
Warning to avoid union/organizers	8
Management warns	
buyers don't want unions	5
Reward for names of union officers	2
Anti-union meetings/seminars	10
Overtime scheduled during union meetings	4
Intervention by police	2
Intervention by LGU	10
Worker/s who attended meetings	
disciplined/restricted	4
Worker/s who attended meetings dismissed	2
Union officer who attended hearing dismissed	1
Union members who filed complaint dismissed	1
Union officer/s threatened	6
Union officers charged with	
trumped-up offences	7
Union officer/s/member/s	
transferred/restricted	12
Union officer/s suspended	3
Union officer/s demoted	4
Union officer/s offered promotion	4
Discrimination against	
union officers/members	28
Management offers early retirement/eparation	7
Union officer/s/member/s forced to resign	10
Union officer/s dismissed	14
Union members dismissed	12
Company official/s dissuade membership	3
Workers forced to retract membership	7
Operations speeded up	4
Forced leave/slowdown operations	8
Anti-union referendum	1
LMC established vs. union	7
Cooperative vs. union	1
Company suggests independent union	1
Management forms another union	2
Company filed for union cancellation	9
Management grants benefits	6
Management withholds benefits	6
Management campaign materials	8
Management threatens company closure	7
Company transfers/contracts out	4
Cash advances before the CE	2
Illegal actions during CE	6
Company contracts out after union wins CE	3
Company protests union win	1
Company refuses to bargain	4
Company closes after union wins CE	4

Anti-union actions are concentrated on union leaders: if they can't be paid off, they can be discriminated against, transferred or restricted to where they can do no harm, demoted, charged with imagined offences, forced to resign, or dismissed.

Union members can be swayed with intimidation, harassment, granting or withholding benefits, advances or loans, forced leaves, or threats of closure.

There is the hardy LMC, or a co-operative, or another union, to field against an overzealous union.

There are remedies even for successful union organizing. Unions have been known to lose even after they win CEs. When unions win CEs, companies have been known to contract out production, tie up the union in protest or protracted legal procedures, refuse to bargain, close, or even transfer to China.

The results of the verification also demonstrated that monitoring compliance with corporate codes of conduct and with ILO core standards require the participation of unions or pre-unions. Mere auditing by private institutions, without the participation of unions, will not make for honest compliance. Scheduled auditing give time for companies to put up Potemkin schemes, including fake documents or, worse, bogus workers' organizations.



Other Observations and Recommendations



Observations and Indications

The data generated from the sampling data strongly indicate the following

- There is a relatively low level of awareness among workers of labor standards and legal provisions to protect workers (including those of pay and overtime premium rates). There is no push for establishing group standards and negotiating these with employers even without any union structure in place.
- A large proportion of respondent-workers are generally unsure of the existing practices and standards in their places of work. The incidence of “Don’t Know” answers indicates that many basic issues are left un-discussed or un-investigated. This lack of interest in their own common welfare establishes the basic environment for organizing that trade unionists have to contend with.

This calls for baseline education campaign in order to lay the groundwork for more enlightened action.

- In general, garment workers are at a disadvantage compared to workers in non-garment firms in terms of working conditions, standards, and benefits.

The sampling study presents valuable reference points for further research. The study results provide clear indicators of how labor standards are complied with across firms of various sizes, nationality, and industry.

The study results present an instructive tool for the education of workers and trade unionists. The information will be packaged and repackaged to support various educational and strategic planning activities that are essential at the industry and sectoral levels.

The Study



A. Nature of Study

This paper summarizes the results of a random sampling (with replacement) study involving respondents from a total of 202 enterprises in economic zones in six areas (in Laguna, Bataan, Clark, Cavite, Subic, Tarlac) as well as in various parts of Metro Manila.

The Study was conducted over the period September 2000 to May 2001.

The study sought to inquire into:

- The working conditions prevailing in these enterprises, in terms of compliance with national and international standards of worker protection; and
- The climate for organizing workers and unionization in these enterprises

The results are summarized into three categories

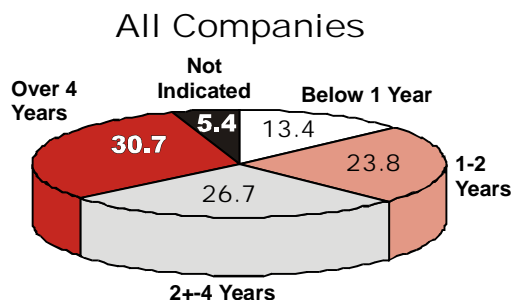
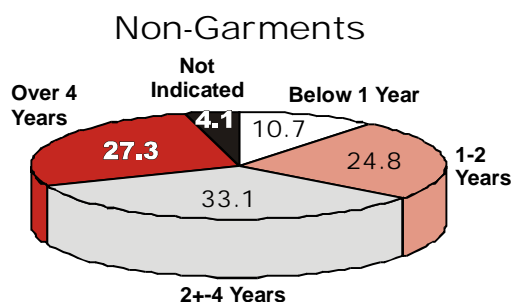
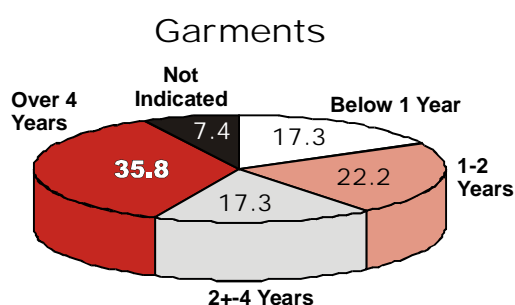
- Garment Manufacturers
- Non-Garment Enterprises
- All Enterprises

B. Data Limitations

The results of the study may be described as “worker perceptions” of issues related to pay, work conditions and unionization experience in their own companies. These are based primarily on the personal knowledge or recollection of respondents in the sample enterprises.

Data have been summarized based on answers to specific questions which were mostly structured to allow respondents to select from three options (“Yes”, “No”, Don’t Know”). The resulting percentages therefore tend to be slightly lower on account of the “Don’t Know” factor.

Profile of Respondents
by Length of Service



On the whole, researchers expressed a significant level of confidence in the results. Information were gathered from a series of “focused group discussions” involving many workers in each sample enterprise. Workers who participated in the discussions had high levels of general awareness of worker concerns and of knowledge of their respective enterprises.

C. Profile of Respondents

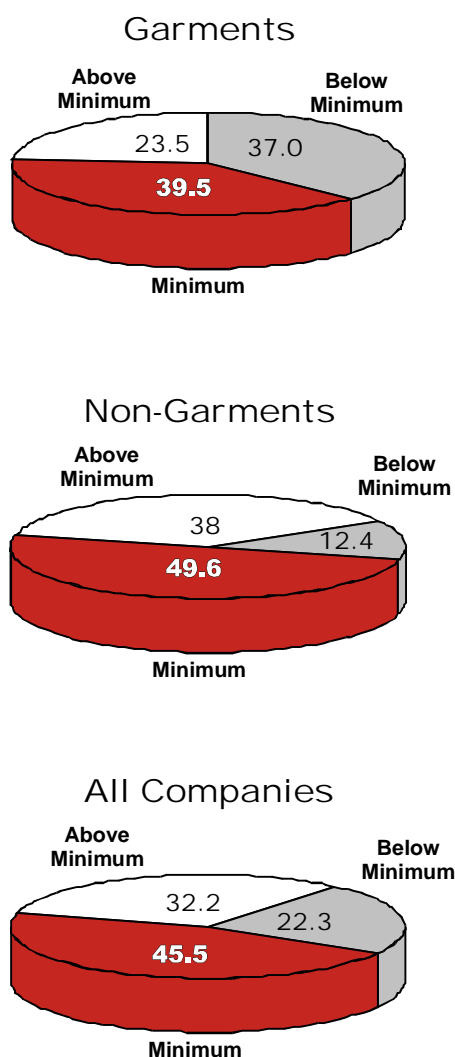
The results appear to reflect a representative sampling of worker types in terms of employment status, length of service and average salary levels.

In terms of employment status, 57% of all respondents have stayed for at least 2 years at their current jobs. Of these, 31% have worked for at least four years at these jobs. Only 13 per cent have tenures less than 12 months.

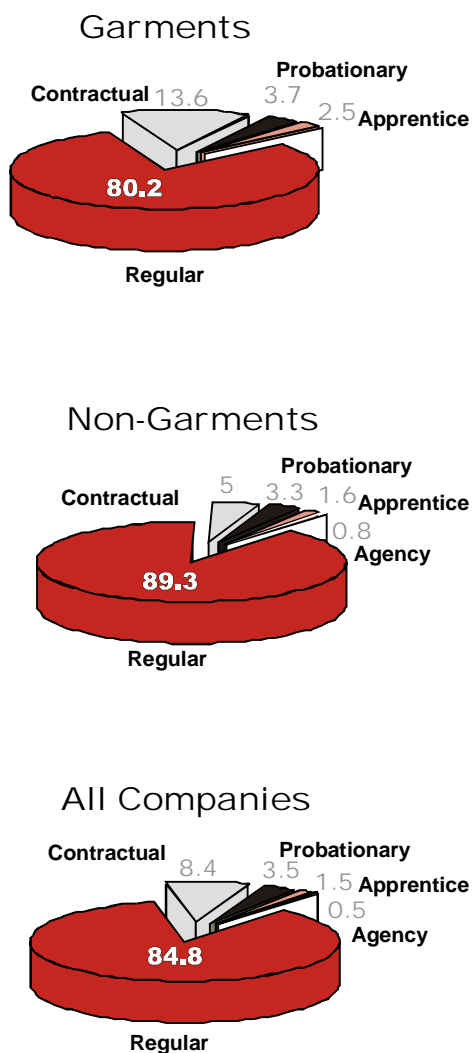
Predominantly, the sample workers are regular employees (85%) with a sprinkling of contractual (8%) and probationary (4%) workers. There were a few apprentices among the worker respondents, 2% of the total.

Income-wise, 32% of sample workers were paid above the daily minimum wage at the time of the study (NCR P250 per day, Region III P204.50, Region IV P217). Some 22% were paid well below the legislated daily wage.

Profile of Respondents by Daily Income



Profile of Respondents by Employment Status

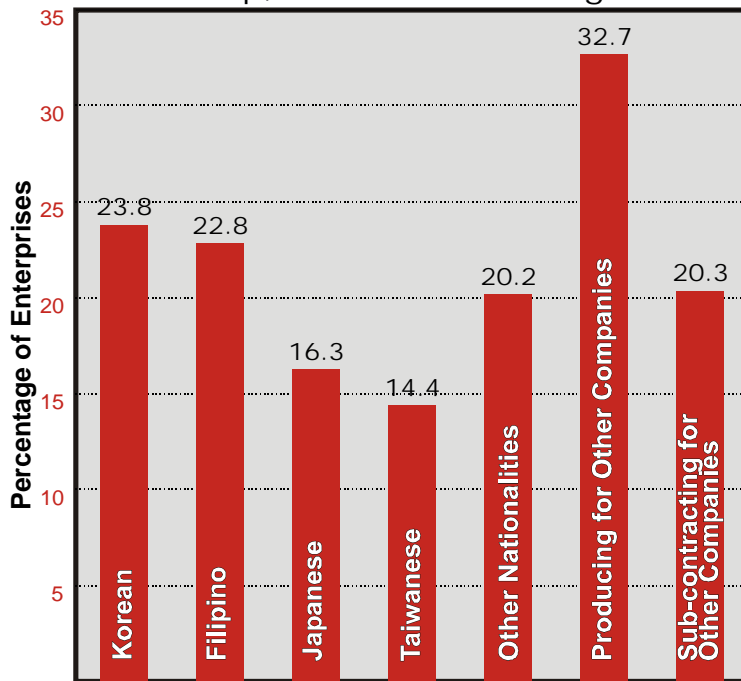


D. Profile of Sample Enterprises

The sample enterprises are Korean (24%), Filipino (23%), Japanese (16%) or Taiwanese-owned (14%).

Of the 202 sampled enterprises, almost a third are producing for other companies while 20% are “sub-contracting” production to other companies locally.

Ownership, Production Arrangements



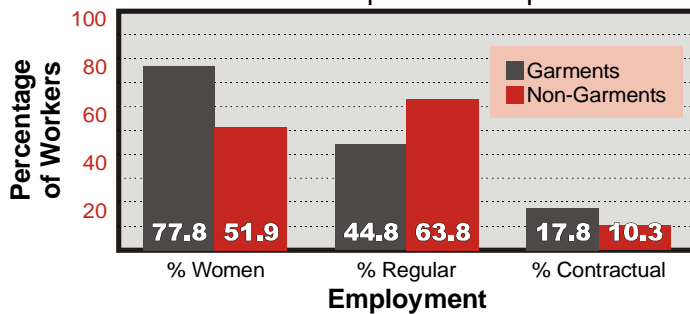
Over a fourth of garments companies are producing for other local companies. Also, over a fourth of garments companies sub-contract production to other local companies.

Two-thirds of the enterprises have Filipino personnel managers. Anecdotal sources say many personnel managers in the ecozones have little preparation for the job.

Women dominate employment in garments firms (78%); in non-garment companies, 52% are women workers.

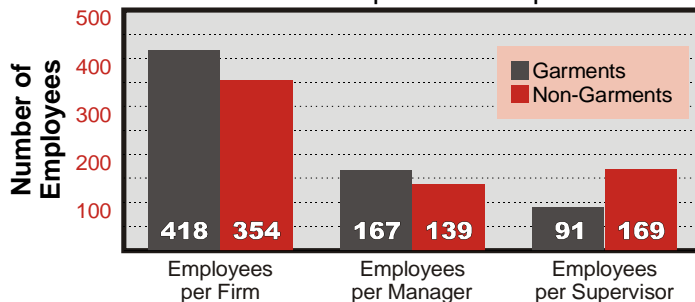
Workers in non-garment firms are predominantly regular or on the way to being regular (64%), versus over 40% in garment companies. Contractual employees compose 18% of the total in the garment industry; in the non-garments sector, 10% of the workers are contractual.

Profile of Sample Enterprises



Five per cent of garment firms hire minors (up to 18 years old). A high 16.5% of non-garment companies are reported to have minors in their employ.

Profile of Sample Enterprises



The sample garments producers have more workers per firm (418) than the sample non-garment producers (354). On average, the ratio of employees per manager tends to be higher in garment firms (167) than in non-garment firms (139). There appear to be more supervisors in non-garment companies than in garments (169 to 91).

1. Companies

Acom Mfg. Phils. Ltd.
Ameriasia Int'l Terminal Services
American Power Conversion
American Sports Group (Cavite)
American Sports Group (Subic)
Andes Ionics Circuit
Angeles Garments
Anvil Ensembles, Inc.
Aparri Electronics Corporation
Architectural Framework Tech., Inc.
Asialine Product International
Asian Durables Mfg. Corp.
Astec Power International
ATP Technologies
B.I. Cotton House Philippines, Inc.
Bestek Communications, Inc.
BICC Brand Rex
Biggy and Bernie Mfg.
Blue Bell Commodities Inc.
Canyon Woods Resort Club
Carina Apparel Inc.
Carniphil Industries Corp.
Cavite Apparel Corporation
Cavite Sock Phils. Inc.
Chang Chuen Cotton Mfg., Co. Ltd.
Chan-Soong International
Chong Won Fashion Inc.
Chuan Chiang Enterprises
Chunji International (Phils.), Inc.
Clement Textile and Int'l Corp.
Comoss Electronics Phils. Corp.
Context Corporation
Crismina

CS Garments Inc.
Dae Eun Electronics
Dae Ryung Industrial Inc. (DRI)
Dae Young Apparel Corp.
Dai Dong Precision
Delta Drive Phils. Inc.
Dong Ho Electronics Phils. Inc.
Dong Seung Inc.
Dong-In Sundara
Dunlop Slazenger Phils. Inc.
Dwight Steel Bldg. System Inc.
Dyna Image Corporation
Earnest Soul Apparel Corp
Eastar Export Ventures Corporation
Eastland Mfg. Comp. Inc.
EBCC Ogden Energy Phils.
El Cielito Inn
Enchanted Kingdom
Enlin Steel
Essilor Manufacturing Phils.
FCC Philippines Corporations
Fe-Tronic Manufacturing Inc.
Fiesta Manufacturing Enterprises
Filco Stationery Co. Inc.
Filpack Industries Inc.
First Quality Apparel/Buying Partners Inc.
Futura Clothing Enterprise
Gin Qwen Corporation
GJM Phils. Mfg. Inc.
Go Young Garments Corp.
Grever Apparel Phils. Inc.
Hayakawa Electronics Phils. Corp,

HOF Subic International Inc.
 Hokei Subic Corp
 Hua Be Garments
 Hyesung Ind. Phil. Inc.
 I Coast Mfg. Group
 Inshape Mfg. Corp.
 International Container Terminal
 Services Inc.
 Janas Mfg. Phil., Inc.
 Jannel Mfg. Inc.
 Japan Glass Inc.
 Jaycee Subic Corporation
 Juntec
 K2 Fine Metal Corp.
 KAC Precision Phils. Inc.
 Kace Electronics
 Kangnam Manufacturing Inc.
 Korea Subic Pacific Products Inc.
 Koryo Subic Inc.
 Kosiphil International, Inc.
 KP Chemical Inc.
 Kyoei Food Intl Inc.
 L & L Laurence Footwear Inc.
 Loyal Garments Inc.
 Mabuti Corp.
 Magellan Cogeneration, Inc
 Majestic Inc.
 Malini Garments
 Manila Southwoods
 Maruman Subic Inc.
 Maxon System (Phils) Inc. - Telecom
 MC Nova (Tarlac)
 MCB Knits Accessories
 Medtechs International Corporation
 Mega Packaging Corporation
 Mercury Apparel Inc.
 Metachi Anayden Elec. Inc.
 Metro Index
 Mitsumi Phils. Inc.
 Mok Yang
 Monasteria
 Montec International Corporation
 Nidec Philippines Corporation
 Nihon Garter Phils. Inc.
 North Star Development Company Inc.
 Ocean Pacifico Services Inc.
 Orient Semiconductor Electronics
 Phils. Inc.
 Pacific Internet Inc.
 Pacific Rare Metal-Cavite
 Pacific Rare Metal-Subic
 Pagoda Knitting Corp.
 Pamela Inc.
 Pan Asia Packaging

Pasig Ind. Inc.
 Pastel Clothing Int'l Corp.
 Penn Phils. Export Inc.
 Phil Steel Coating Corporation
 Philake Metal Corp.
 Philippine Bobbin Corp.
 Philips Export Industries Inc.
 Phil-Korea Sports Co.
 Picus Company
 Pine Film Corporation
 Polarmamne Scandinavian
 Precise Techo. Inc.
 Pros Technology, Inc.
 RCM Mfg. Incorporated
 ROHM Electronics Phils. Inc.
 S.B. Techno. Inc.
 Sam Don International Corporation
 Samma Corporation
 San Technology Inc.
 Sang Woo
 Sankin Phils. Co. Ltd.
 Sankou Seiki Co. Ltd.
 Sankyo Sieke Mfg. Co. Ltd.
 Sansei Phils.
 Sansen Phils. Inc.
 SD Philippines
 Sea Marine Integrated Services Inc.
 Seiyo Electronics Corp.
 Selma Apparel
 Semi-Alloys Company
 Sepung Ind. Phil. Inc.
 Seven Star
 Shing Hung Plastic Corp.
 Shining Star Inc.
 Shinlim Industrial Corporation
 Silk Mfg. Corp.
 Silver Infinity Corporation
 SP Ventures Corporation
 Splash Island
 Standard Milestones Corporation
 Star Sound Electronics
 Subic Bay Apparel
 Subic Bay Golf Course and
 Country Club
 Subic Gloves Mfg. Inc.
 Subic Star Textile Mfg.
 Subic Technics
 Subic Telecom
 Subic Water and Sewerage
 Summit Camping Corporation
 Sun Kim Apparel
 Sun Port Phil.
 Sunburst
 T & H Shopfitters Co. Inc.



Tae Sung Phil. Co. Inc.
Taisan International Subic Corporation
Taiwan Hitachi Inc.
Taiwan Mitsumi Co.
Tinkerbell Gift Ind. Inc.
Tong Lung Co. Ltd.
Travel Master Mfg. Corporation
Tri Ocean Caving Corporation
Tri-Lux Electronics and Luminaries
Tri-Phil Int'l Inc.
TST-Taiyo Sangyo Trading Inc.
Tung Fong Industrial Co. Inc.
Tunglong
Twin Hull Shipyard
U-Fil Corporation
Uniden Phils.

Union Medicare Corporation
United Dockhandlers Inc.
Universal Weavers Corp.
Walter Garments
Western Garments, Inc.
Winnies' Garments
Winning Phils. Ind'l Corp.
Wistron Infocomm
Wongtex Industries Corp.
Woo Chang Co., Inc.
Woo Sung Phil. Co. Inc.
Yick Fung International Corporation
Yi-Phon Incorporated
Yo-Zuri Phil.
Yusung Adventure
Yutaka Manufacturing (Phils)

2. Labels/Brands by Company

Acom Manufacturing Phils. Ltd. – none
Ameriasia International Terminal Services – none
American Power Conversion B.V.– Philippine Branch – McKinley; Grey Wolf
American Sports Group Phils., Inc. (Cavite) – Jansport; Gap; Wolfcreek; Old Navy
American Sports Group (ASG) Subic, Inc. – Jansport; Quick Silver; Mellet; Asics; Fox Racing; Adidas; Hilton
Andes Ionics, Inc. – Epson
Angeles Garments Corporation – Gap
Anvil Ensembles, Inc. – Little Bitty; JC Penney; Sears
Aparri Electronics, Corporation – none
Architectural Framework Technologies, Inc. – none
Asialine Products International – Gap; American Airlines; Olympia
Asian Durables Mfg. Corporation. – Daewoo
Astec Power Philippines, Inc. – none
ATP Technologies International, Inc. – Nokia
B.I. Cotton House Philippines, Inc. – Rosalina

Bestek Communications, Inc. – Hello Direct
BICC Brand Rex – none
Biggy and Bernie Mfg., Inc. – Gap
Blue Bell Commodities, Inc. – Bunny Babies; Bunny Jeans; Dillards; Disney; Federated Department Stores; Green Dog; Lord and Taylor; M & S; Mother Care; Persian; Tommy Hilfiger; Woolworth; Woolco
Canyon Woods Resort Club, Inc. – none
Carina Apparel, Inc. – Calvin Klein
Carniphil Industries Corporation – Kasper
Cavite Apparel Corporation – Brooks Brothers; Prince Frederick; Neema; Falke
Cavite Socks Phils., Inc. – Keepers; Wolsey
Chang Chuen Cotton Paper Mfg., Co. – none
Chan-Soong International Co., Ltd. – Acer
Chong Won Fashion Inc. – Gap
Chuan Chiang Enterprises Mfg. Co., Inc. – Camel; Trek & Travel

Chunji International (Phils.), Inc. – Amcena; ByDesign; Calvin Klein; JC Penney; K-mart; Periscope; R/Point; Snopko; Wal-Mart

Clement Textile and International Corporation – none

Comoss Electronics Phils. Corporation – none

Contex Corporation – none

Crismina Garments, Inc. – Gap; Levi's

CS Garment, Inc. – C & K; JC Penny

Dae Eun Electronics (Phils.), Inc. – Hello Direct; Sprint

Dae Ryung Industrial Inc., Philippines – Lowie; Alcatel; Panorama

Dae Young Apparel Corporation – Gap; Old Navy

Dai Dong Precision (Phils.), Co., Inc. – none

Delta Drive (Phils.), Inc. – Motorola

Dong Ho Electronics (Phils.), Inc. – none

Dong Seung, Inc. – Merona; Timberland; Express

Dong-In Sundara Phils., Inc. – Kelty; Gap

Dunlop-Slazenger (Phils.), Inc. – Dunlop

Dwight Steel Bldg. System, Inc. – none

Dyna Image Corporation – none

Earnest Soul Apparel Corporation – Gap; Nautica; Kioman; ByDesign; Caroline Taylor

Eastar Export Ventures Corporation – K-mart; Quelle; Siggerman; ByDesign

Eastland Mfg. Comp. Inc. – Marks and Spencer

Edison (Bataan) Cogeneration Corporation – none

El Cielito Inn – none

Enchanted Kingdom – none

Enlin Steel (Phils.) Corporation – none

Essilor Manufacturing Phils., Inc. – none

FCC Philippines Corporation – none

Fe-Tronic Manufacturing (Phils.), Inc. – none

Fiesta Manufacturing International – none

Filco Stationery Co., Ltd. – BTA

Filpak Industries, Inc. – none

First Quality Apparel/Buying Partners Inc. – Natori; Valmode

Futura Clothing Enterprises – Hanford

Gin Qwen Corporation – none

GCM Phils., Inc. – Calvin Klein; Victoria Secret

Gu Young Garments Corporation – Franza; Laurate

Grever Apparel Phils., Inc. – Gap; Old Navy

Hayakawa Electronics (Phils.) Corporation – Sony; Panasonic

HOF Subic International Inc. – none

Hokei Subic Corporation – Louis Vuitton; Tumi; Parat; Sanyei

Hua Be Garments, Inc. – Osh Kosh; Esprit; Alfred Daner; Worthington; Lily Pulitzer

Hye-Sung Industries (Phils.), Inc. – none

ICoast Mfg. Group, Inc. – none

Inshape Mfg. Corporation – Saralee; Avon

International Container Terminal Services Inc. – none

Janas Mfg. Phil., Inc. – none

Jannel Mfg. Corporation – none

Japan Special Glass – none

Jaycee (Subic) Corporation – Dell; Kensington

Juntec Corporation – Clarion; NEC

K2 Fine Metal Corporation – Sink

KAC Precision Phils., Inc. – none

Kace Electronics (Asia), Inc. – G.E. 5870

Kang Nam Packaging House, Inc. – none

Korea Subic Pacific Products Inc. – none

Koryo Subic, Inc. – Panasonic; Hitachi; Sony

Kosiphil International, Inc. – Gap

KP Chemical, Inc. – none

Kyoei Food International Inc. – My; Fine Chuso; Rush Wine

L & L Lawrence Footwear Inc. – none

Loyal Garments (Phils.), Inc. – Club Roman

Mabuti Corporation – none

Magellan Cogeneration, Inc. – none

Majestic Inc. – Tommy; JC Penny; Jones



Malini Garments – Teddy Boom; Sunsoil; Komket; Shana; Pretty Girl; Abercrombie
Manila Southwoods and Country Club – none
Maruman Subic Inc. – Nissan
Maxon System (Phils.), Inc. – none
MC Nova (Tarlac) – Old Navy; Gap
MCB Knits Accessories – none
Medtechs International Corporation – Med-techs; Med-tex
Mega Packaging Corporation – none
Mercury Apparel Inc. – Company B; Bench
M.A. Technology Inc. – Sharp
Metro Index – Avon; Nike; Bench
Mitsumi Phils., Inc. – Mitsumi; Sony; Sharp; Philips; Fujitsu-ten
Mok Yang Phils., Inc. – Dockers; Gap; Levi's; LL Bean; LL Bean Traveler; London Fog; Pacific Trail
Monasteria Knitting Inc. – Melcosa; Otto; Versano; Vetir; Carter
Montec International Corporation – none
Nidec Philippines Corporation – none
Nihon Garter Phils., Inc. – none
North Star Development Company Inc. – none
Ocean Pacifico Services, Inc. – none
Orient Semiconductor Electronics Phils. Inc. – none
Pacific Internet Inc. – none
Pacific Rare Specialty Metals and Chemicals, Inc. (Cavite) – none
Pacific Rare Metal-Subic – none
Pagoda Knitting Corporation – Osh Kosh; Sean John
Pamela, Inc. – Tommy Hilfiger; La Chine
Pan Asia Packaging Corporation – none
Pasig Industries Inc. – Sun-Ace
Pastel Clothing International Corporation – Nike; Old Navy
Penn Phils. Export Inc. – Powernet; Satinette
Phil Steel Coating Corporation – Galva Bond; Color Band
Philake Metal Corporation – none
Philippine Bobbin Corporation – Havaritos
Philips Export Industries Inc. – Reebok; Nike; Fila; Sketchers

Phil-Korea Sports, Inc. – Triumph; Technique
Picus Company – none
Pine Film Corporation – Muji; Seiyu Cains; Nikka
Polarmarine Inc. – none
Precise Techno. Inc. – Hitachi; Fujitsu
Pros Technology, Inc. – none
RCM Manufacturing Co., Ltd. – none
ROHM Electronics Phils., Inc. – Sony; Sharp; Kenwood; RICOH; Pioneer; Hitachi
S.B. Technology Phils., Inc. – Headline Midland
Sam Don International Corporation – Guess; Jansport; Hilton
Samma Corporation – Mikasa; Nike; Rawlings
San Technology Inc. – Toshiba
Sang Woo of the Philippines, Inc. – Scarlet; JC Penny; Gap
Sankin Phils. Co., Inc. – National Panasonic; Sanyo; Duici
Sankou Seiki Co., Ltd. – none
Sankyo Seike Mfg. Co., Ltd. – none
Sansei Electric Corporation of the Philippines – Sansei
Sansen Phils., Inc. – none
SD Philippines, Inc. – Abriani; Aldo Rossini; Brutini; Cambridge Clothiers/Worldbrand (Boys') (RN 98389); Chic lingerie Co., Inc./M. Kenneth (RN 16711); Cornellie; Cross Windsor; Exhibit; Focus (shorts); Geon Industries, Inc./Paul Jardin (RN 62702); Giorgio; Global Sourcing Network, Ltd. c/o American Outerwear/Rand International (RN 86995); Imperial Clothes, Ltd. (RN 69625); JP Christopher; K & H Importers Inc./Worldbrand (Men's) (RN 54196); Kingsport International, Inc. (RN 74296); Moda Prima; Sunoo & Co., Inc (RN 60041); Via Venetto; Rose Cottage; Youngland
Sea Marine Integrated Services Inc. – none
Seiyo Electronics Philippines, Inc. – none
Selma Apparel Corporation – Levi's; JC Penny; Gap
Semi-Alloys Company – none

Sepung Industries (Phils.), Inc. – Motorola; General Instrument; US Electronics

Seven Star – Alfred Daner; Erika; JC Penney; Sean John; Teamsport; Wal-mart; Belle

Shing Hung Plastic Co., Inc. – Sharp

Shining Star Inc. – Fubu; Majestic; Nike; Polo; VX-2; Winkies

Shin Lim Industrial Corporation – none

Silk Phils., Corporation – none

Silver Infinity Corporation – none

S.P. Ventures Corporation – New York; Novelty; Gap; DKNY

Splash Island – none

Standard Milestones Corporation – Gap; Old Navy;

Star Sound Electronics Phils. – Bobbin; Voice Coll

Subic Bay Apparel Corporation – DKNY; Gap; JC Penny; Neema

Subic Bay Golf Course and Country Club – none

Subic Glove Mfg. Inc. – none

Subic Star Textile Mfg. Corporation – none

Subic Technics, Inc. – Audio Technical US; Optimus; Radio Shock; Sennieser; Dylan

Subic Telecommunications – none

Subic Water and Sewerage – none

Summit Camping Corporation – Jansport; LL Bean; Outdoor

Sun Kim Apparel Phils., Inc. – Ultimate; American Eagle; In Due Time; Merona

Sun Port Phil., Inc. – none

Sunburst – Karen Scott; Pierre Cardin

T & H Shopfitters Co., Inc. – none

Tae Sung Phil. Co., Inc. – none

Taisan International Subic Corporation – Hilton & Roxy

Taiwan Hitachi (Subic) Inc. – Hitachi

Taiwan Mitsumi Co. – none

Tinkerbelle Gift Ind. Inc. – Pier I

Travel Master Mfg. Corporation – Nike; Adidas; Jansport; Tommy Hilfiger; JC Penny

Tri Ocean Covering Corporation – Tri Oceans

Trilux Electronics and Luminaries (Phils.), Inc. – Tri-Lux

Tri-Phil International Inc. – Mizono; Rawlings; Asics; Alfa

TST-Taiyo Sangyo Trading Inc. – none

Tung Fong Industrial Co., Inc. – none

Tong Lung Phils. Metal and Industry Co., Inc. – Missue and Hanapa

Twin Hull Shipyard – none

U-Fil Corporation – none

Uniden Phils. Laguna Inc. – Uniden

Union Medicare Corporation – Pro Care

United Dockhandlers Inc. – none

Universal Weavers Corporation – Medline

Walter Garments – Gap

Western Garments, Inc. – Osh Kosh; DK; Tommy Hilfiger; Levi's; Triumph; Esprit; Napoleon; Genuine; Gap

Winnies' Garment Corporation – none

Winning Phils. Ind'l Corp. – Hogdeman; Deepsee

Wistron Inforcomm (Phils.) Corporation – Acer

Wongtex Industries Corporation – B.T. Kids; Gap; Genuine MM; Gymboree; Karen Scott; Old Navy; Tommy Hilfiger; Polo

Woo Chang Co., Inc. – Liz Clairborne; Gap; Tommy Hilfiger; Old Navy

Woo Sung Phil. Co., Inc. – none

Yick Fung International Corporation – Ann Taylor

Yi Phone Subic Bay Corporation – none

Yo-Zuri Phils., Inc. – Yo-Zuri; Namari; Lurpe

Yusung Adventure Corporation – Jansport; Eddie Bauer; LL Bean

Yutaka Manufacturing (Phils.), Inc. – Toyota



3. Tables

Table 1 SURVEY RESULTS – WORK HOURS AND WORKERS' PAY			
	Garments	Non-Garments	Total
No Work No Pay	19.8	21.5	19.8
Equal Pay for Same Work	65.4	61.2	62.9
Required to Work			
Extra Hours	28.4	36.4	38.1
Sundays	39.5	32.2	35.1
Restdays	13.4	29.8	31.2
Holidays	13.9	29.8	31.7
Payment Rate			
Daily	75.3	81.0	78.7
Monthly	21.0	19.0	19.8
Piece Rate	3.7	-	1.5
Payment Frequency			
Weekly	19.8	5.8	11.4
Monthly	-	0.8	0.5
Bi-Monthly	80.2	93.4	88.1
Wages Paid			
Below Minimum	37	10.7	21.3
Minimum	45.7	67.8	58.9
Above Minimum	17.3	21.5	19.8

Table 1 (continued)

	Garments	Non-Garments	Total
Hours of Work per Day			
Below 8	3.7	4.9	4.5
8	77.8	81.0	79.7
10 to 12	7.4	8.2	7.9
Over 12	2.5	1.0	1.5
Blanks	8.6	4.9	6.4
Shifts per Day			
1	37.0	19.0	26.3
2	26.0	37.2	32.7
3	14.8	24.8	20.8
Above 3	1.2	2.5	1.9
Blanks	21.0	16.5	18.3
Night Shift	45.7	47.9	47.0
Overtime Pay	92.6	90.1	90.0
Below 25%	7.4	2.5	4.5
25%	53.1	31.4	40.1
Over 25%	11.1	12.4	11.9
Blanks	28.4	53.7	43.5
Holiday Pay	84.0	92.6	89.1
Below 100%	5.0	9.1	7.4
100%	54.3	37.2	44.0
Over 100%	7.4	2.5	4.5
None	14.8	7.4	10.4
Blanks	18.5	43.8	33.7
Night Shift Pay	76.5	86.8	82.7
Below 10%	1.2	2.4	2.0
10%	49.4	39.6	43.6
Over 10%	3.7	1.0	2.0
None	24.7	13.2	17.8
Blanks	21.0	43.8	34.6
13th Month Pay	74.1	84.3	80.2
Back Wages	42.0	52.1	48.0
Separation/Termination Pay	33.3	42.9	39.1

Table 2
SURVEY RESULTS –
LEAVE BENEFITS

	Garments	Non-Garments	Total
Availability of Leaves			
Maternity Leave	71.6	80.2	76.7
Paternity Leave	49.4	80.9	68.3
Bereavement Leave	17.3	10.7	13.4
Education Leave	3.7	-	1.5
Paid Unused Leaves	30.9	35.5	33.7
Service Incentive Leave			
Below 5	-		
5 days	25.9	9.9	16.3
Above 5			
Sick Leave & Vacation Leave			
Below 5	8.6	0.8	3.9
5 days	8.6	12.4	10.9
Above 5	13.6	23.1	19.3
W/o days	-	2.5	1.5
SIL/SL/VL			
Below 5	1.2	0.8	0.9
5 days	2.5	11.6	7.9
Above 5	9.9	12.4	11.4
W/o days	-	3.3	2.0
SIL/VL			
Below 5	-	-	-
5 days	1.2	0.8	1.0
Above 5	-	-	-
SIL/SL			
Below 5	-	-	-
5 days	1.2	5.0	3.5
Above 5	-	0.8	0.5
W/o days	4.9	1.7	3.0

Table 2 (continued)

	Garments	Non-Garments	Total
Sick Leave only			
Below 5	-	0.8	0.5
5 days	-	-	-
Above 5	-	2.5	1.5
W/o days	3.7	0.8	1.9
Vacation Leave only			
Below 5	-	-	-
5 days	-	1.7	1.0
Above 5	-	-	-
W/o days	-	0.8	0.5
None	18.5	8.3	12.4
Maternity Leave			
Below 60 days	6.2	5.0	5.4
60 days	56.8	51.2	53.5
Over 60 days	2.5	7.4	5.4
Don't Know	18.5	16.5	17.3
Paternity Leave			
Below 7 days	8.6	5.8	6.9
7 days	33.3	59.5	49.0
Over 7 days	-	1.7	0.9
Don't Know	38.3	14.9	24.3
Bereavement Leave			
Below 7 days	8.6	6.6	7.4
7 days	1.2	1.7	1.5
Over 7 days	2.5	1.7	2.0

Table 3
SURVEY RESULTS –
SOCIAL INSURANCE:
DEDUCTIONS AND REMITTANCES

	Garments	Non-Garments	Total
Deductions Made			
SSS Premiums	91.4	97.5	95.0
SSS Loan Payments	81.5	95.0	89.6
Employee Compensation	46.9	50.4	49.0
Medicare/Philhealth	79.0	91.7	86.6
Pag-ibig/Home Mortgage	76.5	84.3	81.2
Remittances Made			
SSS Premiums	59.3	81.8	72.8
SSS Loan Payments	58.0	80.2	71.3
Employee Compensation	25.9	47.9	39.1
Medicare/Philhealth	49.4	71.1	62.4
Pag-ibig/Home Mortgage	50.6	74.4	66.8

Table 4
SURVEY RESULTS –
WORK FACILITIES

	Garments	Non-Garments	Total
Basic Facilities			
Separate CRs	96.3	95.9	96.0
Canteen	76.5	71.9	73.8
Lockers	75.3	90.9	84.6
Drinking Fountain	87.7	79.3	82.7
Other Facilities			
Workers' Quarters	22.2	44.6	35.6
Recreational Facilities	18.5	35.5	30.7
Adequate Ventilation	45.7	47.9	47.0
Workplace Conditions			
Noisy?	29.6	47.9	40.6
Warm?	34.6	38.0	36.6
Safety Provisions			
Safety Committee	55.6	57.9	56.9
Safety Equipment	63.0	83.5	75.2
Paid by employers	82.3	92.0	88.8
Paid by employees	15.7	3.0	7.2
Shared	2.0	5.0	4.0
No safety equipment	37.0	16.5	24.8

Table 5
SURVEY RESULTS –
GENDER AND WORK ENVIRONMENT

	Garments	Non-Garments	Total
HR Problems			
Maltreatment by Supervisors	33.3	26.4	29.0
Gender-Based Discrimination	17.3	7.4	11.4
Sexual Harassment	9.9	7.4	8.4
Special Grievances			
Unsafe Workplace	30.9	29.0	29.7
Unhealthy Environment	33.3	27.3	29.7
Transportation	14.8	30.6	24.3
Low Wages	64.2	47.1	54.0
Housing	2.5	5.8	4.5

Table 6
SURVEY RESULTS –
UNIONIZATION ENVIRONMENT

	Garments	Non-Garments	Total
Previous Organizing	27.2	23.1	21.3
General Access			
Easy	19.8	26.4	23.8
Difficult	44.4	44.6	44.6
Unionization Prospects			
Good	7.4	19.0	14.4
Fair	28.4	27.3	27.7
Poor	18.5	16.5	17.3
Communication Difficulties	3.7	11.6	8.4
Workers' Profile			
Highest Education			
High School	86.4	72.7	78.2
College	1.2	18.2	11.4
Language			
Tagalog	61.7	72.7	68.3
English	9.9	14.0	12.4
Others	8.6	1.7	4.5
Religion			
Non-Catholic	6.2	7.4	6.9

Table 7
PROFILE OF RESPONDENTS

	Garments	Non-Garments	Total
Employment Status			
Regular	80.2	89.3	84.8
Contractual	13.6	5.0	8.4
Probationary	3.7	3.3	3.5
Apprentice	2.5	1.6	1.5
Agency	-	0.8	0.5
Length of Service			
Below 1 Year	17.3	10.7	13.4
1-2 Years	22.2	24.8	23.8
2+-4 Years	17.3	33.1	26.7
Over 4 Years	35.8	27.3	30.7
Blanks	7.4	4.1	5.4
Daily Income			
Below Minimum	37.0	12.4	22.3
Minimum	39.5	49.6	45.5
Above Minimum	23.5	38.0	32.2

Table 8
PROFILE OF SAMPLE COMPANIES

	Garments	Non-Garments	Total
Producing for Another Company	25.9%	37.2%	32.7%
Sub-Contracting	25.9%	16.5%	20.3%
Ownership			
Korean	30.9	19.0	23.8
Filipino	28.4	19.0	22.8
Taiwanese	13.6	14.9	14.4
European	9.9	8.3	8.9
Japanese	3.7	24.8	16.3
Chinese	6.2	2.4	3.9
Indian	2.5	-	1.0
American	1.2	9.9	6.4
Employment			
Women	77.8	51.9	63.3
Regular	44.8	63.8	55.4
Probationary	6.7	5.1	5.8
Contractual	17.8	10.3	13.6
Filipino Personnel Manager	61.7	69.4	66.3
Unions			
Unionized	33.3	30.6	31.7
Registered (w/Petition or CE)	12.3	17.4	15.3
Won CE	3.7	3.3	3.5
Certification w/CBA	17.3	9.9	12.9
Number of Employees			
Employees per Firm	418	354	380
Employees per Manager	167	139	150
Employees per Supervisor	91	169	123

Philippines: a union foothold in the export processing zones

Tax incentives for investors, low wages and breakneck production rates for workers, mainly young women: these are some of the payoffs for investors of the EPZ boom in the Philippines. A resolutely antiunion stronghold in which the national centre, the Trade Union Congress of the Philippines (TUCP), and its main affiliates have been waging a daily struggle since the early nineties for workers' rights. Yet fierce international competition based on low labour costs is increasing the threat of relocations to China and making trade union activities even more difficult.

This report, published in the run-up to the forthcoming Ministerial Conference of the WTO taking place in Cancun, Mexico, from 10-14 September 2003, highlights the stark reality of these export processing zones, which symbolise of the global primacy of the race for profits over decent jobs worldwide.

This report includes *vivid testimony* on the unrelenting drive towards ever lower costs that is undermining the most fundamental rights of workers.

Fighting blackmail with jobs

Grass roots activists knock on members' doors, trying to overcome their fear and organise union solidarity.

"Meetings with workers have to be organised outside the company premises, on their way to work or even in their homes. Sometimes this can prove very difficult, with employers bribing politicians, police officers and other local officials in order to get them to discourage workers from contacting trade unions. Most workers are even scared of answering our questions, they fear for their jobs", explains Enrico, who is engaged in a daily struggle to unionise Cavite EPZ.

In comparison with the Bataan EPZ, where you have to wear a 'zone pass' to get in, access to the Cavite zone is relatively straightforward, even though "the companies located inside the zone are surrounded with barbed wire and se-



In order to escape unemployment and poverty young people are coming in droves to work in the free trade zones. But job insecurity, terrible shifts and violation of maternity rights dramatically increase staff turnover.

CONTINUED FROM PAGE 1

curity guards. It is impossible to gain access to company premises without being authorised by management", adds Enrico, in a debriefing at the TUCP headquarters in Manila on cases for 26 of his colleagues (including 11 women) belonging to the "organising and verification" team, as part of the trade union campaign carried out in the EPZs by the TUCP and its main affiliates (*). "Bataan is a relatively small EPZ. Once you have been identified as a union activist it is very hard to find a job, and that's why most of the workers are afraid of joining the union. Access to the Laguna zone is particularly difficult. If the guards contracted by the EPZ or a given company see three people conversing together, they have instructions to immediately interrupt and ask what they are talking about. The officials in charge at the zone clearly warned us that the investors would leave if union activities gain momentum. It is only possible to meet workers outside the zone", Rodri-go points out.

THE GAP BETWEEN LAW AND PRACTICE

According to the Filipino Government and national legislation, however, men and women working in the export processing zones are free to organise, and the competent authorities are there to ensure their rights are respected. "Our mandate is to guarantee adherence to labour law in the free trade zones. In case of serious irregularities, the maximum sanction we impose is to ban the infringing company from operating in one of our zones. We have also drawn up a blacklist of companies who close down and leave without paying their employees. In some cases, we ban companies from shipping their equipment outside our frontiers, to prevent illegal closures. But before resorting to such extreme measures there is a whole range of complaint mechanisms in which we play the role of mediators, for instance within the framework of the Department of Labour and Employment (DOLE). We also intervene in the implementation of decisions", explains Antonio Ferrer, legal advisor to the administrative body of the Cavite export processing zone (PEZA), which started operating in 1991 and currently hosts 235 export-based companies employing 68,000 workers, two thirds of whom are women.

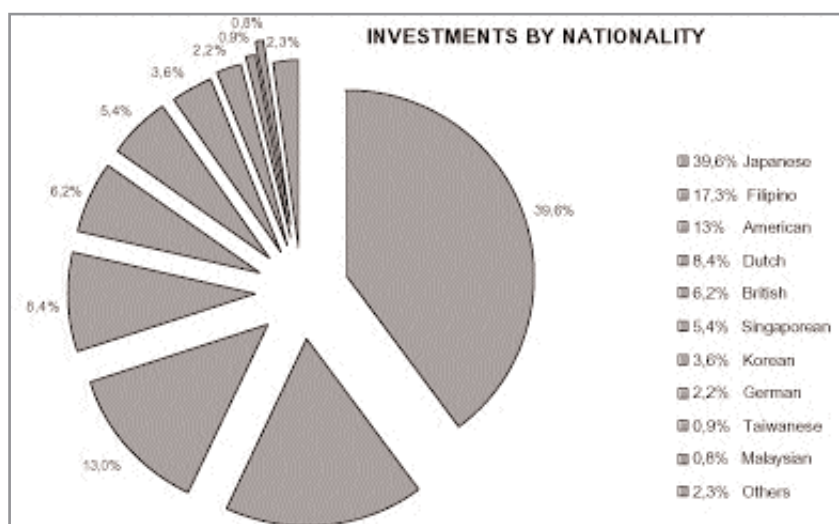
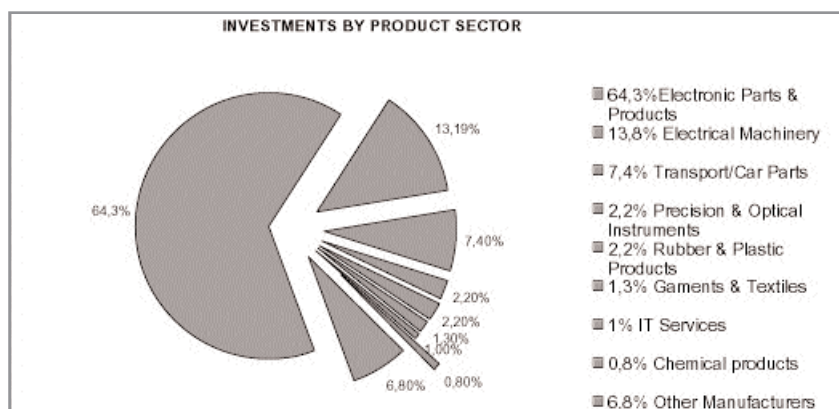
Trade unionists in the field, through their innovative and persistent efforts, are intent on progressively reducing the discrepancies existing between theory and reality. For it should be noted that even if, on average, the hourly wage in

the EPZ has improved over recent years, unions claim that only one third of EPZ employers pay above the minimum wage. Fire exits are all too often missing, insufficient or blocked. Fire detectors too are often missing, and the same goes for adequate ventilation systems.

Inspections are carried out by the department of labour, "but management pressures the workers into giving the 'right' responses to the inspectors", as has been attested to by many workers, who also denounced the lack of adequate personal safety equipment.

- The Philippines have 89 free trade zones (FTZs), spread out across 15 provinces, which are home to over one thousand exporting firms, most of which are located in Laguna, Cavite and Batangas.
- In 2002, the FTZs generated 328,000 jobs, plus 492,000 more as a result outside the zones, and accounted for 80% of the total exports from the Philippines (worth 23.93 billion \$).
- The average daily wage in the Philippines is 5.03\$ (compared to 1.21\$ in China).
- The electronics industry accounts for some 60% of the production in the FTZs, followed by the electrical sector (13.8%), car parts (7.4%), precision and optical instruments (2.2%), textiles and clothes (1.3%), and IT services (1%).

Sources: PEZA and Biz News Asia



DOOR-TO-DOOR... THE STRUGGLE TO ORGANISE

In the early nineties, faced with growing evidence of exploitation in EPZs which at the same time accounted for an increasing percentage of jobs, the TUCP decided to launch an organising drive targeting the zones. 1995 saw the launching of the first organising campaign, a challenge that could have been seen as doomed in view of the fierce hostility displayed by the companies established in these zones.

Workers wishing to set up a trade union are required to submit a petition to the Ministry of Labour, in which they must explain the administrative and legal foundation of the need for a union. If their request is approved, elections may take place. The union must then convince the majority of the employees (50% + 1 vote) to vote in favour of union recognition. This lengthy procedure can take anything between one and two years during which time employers will do their utmost to appeal the ministerial decision, revoking election results and discouraging workers by resorting to countless dissuasive tactics. There are no holds barred, not even corruption. "We had managed to organise a Korean-owned plant producing telephone keyboards at Cavite, but management paid off some union leaders to get them to resign", recalls twenty-year old Nadia, a TUCP organiser.

"As regards the union elections that took place last year at electronics plant Subic Technics, which had been denounced for paying its workers below the minimum wage and for frequently resorting to forced overtime, we united in our efforts to convince the workers. In the five days preceding the ballot, all



Christy, 30 years old, works for the Korean firm SD Philippines, which makes trousers and coats for several North American brand names. Overtime is the norm and the gates are often locked to prevent workers from leaving the factory before finishing their work. The TUCP is currently campaigning to get trade union recognition in this factory.

Christy lives in the slum area outside Rosario with her husband who has also been looking for work in the area. She has to take three different

buses to get to work, which combined with her long working hours make her days exhausting and seemingly endless. She has had to send her two children to their grandparents' home in the region of Bicol, where she comes from, as she is unable to combine her work with looking after them. "The artesian well near my home is closed at 9 pm but sometimes I get home much later and have to walk half a kilometre to get water", says Christy, explaining the water distribution problems.

the verifiers, organisers, leaders and volunteers belonging to unions affiliated to TUCP in the Subic, Laguna, Cavite and Tarlac export processing zones took part in a door-to-door campaign during which they even managed to convince a church minister who had, until then, been fiercely opposed to the union!" the TUCP team explained. Once the election had been won, work began on the task of negotiating a collective agreement, which would have legal force and could be used as a legally binding instrument if the employer failed to respect its provisions.

THE UNION ADVANTAGE: THE ARGUMENT OF COMPARATIVE BENEFITS

According to the union organisers, the most effective way of raising awareness and organising (or recruiting union members) is to highlight union successes and benefits gained by unionised workers in comparison with non-unionised workers.

"A young woman made a mistake and was beaten up by a Korean employer in a textiles factory. We filed a complaint and, as a result, the Korean manager was fired. The victimised worker received compensation in the form of a regular contract. But it had been a very rough ride as, prior to gaining union recognition, the company had threat-

ened to close down in case of union activity and some workers had not been paid for 13 months", explains Dolores.

Only 39 out of the more than 200 companies established in the Cavite EPZ are organised, and only three of those have a collective bargaining agreement (CBA). 33 of the unions are affiliated to the TUCP national centre, which is also the signatory of the 3 CBAs.

The Cavite Apparel textile factory, which mainly produces for export to the US market, is among the three companies where the union managed to obtain an agreement. "Since the signing of the collective agreement, there has been a marked improvement, especially in the way the supervisors treat us. Before, it was forbidden even to look at them, under penalty of a sanction. There are still some serious problems, such as the lack of drinking water in the canteen, temperatures reaching 40 degrees, apprentices employed under illegal status for up to 6 months at a time, compulsory overtime during peak periods", explains Rosa, who adds that it was thanks to the TUCP and the Global Union Federation ITGLWF that she was able to receive vocational training. Indeed normally the only way to learn to

Incentives for Economic Zone Export Enterprises:

- Income Tax Holiday (ITH) or Exemption for Corporate Income Tax for four years, extendable to a maximum of 8 years.
- After the ITH Period, a special 5% Tax on Gross Income, in lieu of all national and local taxes.
- Exemption from duties and taxes on imported capital equipment, spare parts, supplies, raw materials.
- Exemption from export duty, wharfage dues, taxes and fees.

Young workers are more apprehensive

Young workers, who are the most exploited, prove particularly difficult to convince, partly because they are usually unaware of their rights, but also because they are particularly scared of losing their jobs at a young age, especially considering how difficult it is to find another one when employers want experienced workers. "The Cavite zone receives up to 2,000 unsolicited job applications a day, a figure that increases to 3,500 on Mondays and rises even more at the end of the school year", confirms Digna Torres, Director of

the Cavite EPZ (PEZA). "We identify those with an educational background and with skills, the ones who are likely to be backed by their families in case of job loss. We explain to them that it is not only in their own interest but also in that of young workers in general, in particular the poorer ones, as well as in the interest of their children and grandchildren", explains 26-year old Carmen, who joined the organising team precisely because, as a young worker employed at the Laguna electronics plant, she felt under heavy pressure: "impossible quotas, very strict control, no minimum wage, I even saw one of my col-

leagues have a miscarriage without receiving the slightest bit of medical attention".

Key employment market figures

- Active population; 33,361 million workers
- No. employed: 25,096 million
- Under-employed: 3,271 million
- Jobless: 4,995 million
- Workers who have emigrated overseas: 1.2 million
- Young people joining the job market every year: 1 million

Source: Philippine Labour statistics

CONTINUED FROM PAGE 3

use a new machine in the factory is to learn on-the-job.

"In a factory manufacturing bags for Japanese brand "711", the establishment of a union has allowed workers to gain access to adequate drinking water supplies as well as to additional toilets, yet a complaint has been filed regarding the huge amounts certain returning workers have been required to pay to receive a five-year contract", says 20-year old Elsa, a TUCP organiser at Cavite.

The initial progress made by the unions is, to some extent, reflected in the observations made by Digna Torres, Director of the Cavite EPZ: "Conditions have improved slightly, particularly in the electronics sector, which represents the main activity at Cavite. As for textiles, a sector that has undergone a considerable drop in activity owing to current market trends, the situation appears to be more critical, particularly with regard to working times linked with seasonal production".

These concerns are overtly expressed in official and trade union circles in light of the very poor performances of the textile and garments sector, which barely accounts for 1.3% of export production. "Most of these garment factories are already competitive and technologically advanced. The only thing we can do to back these companies is to try to cut down the costs and delivery deadlines", comments Lilia de Lima, Director General of the Philippines Economic Zones Authority (PEZA). This will not reassure trade unions on the issue of working hours...

THE THREAT OF RELOCATION

Beyond the garments sector, the entire Philippines export-processing industry faces the threat of relocation. At Cavite, for instance, Digna Torres, Director of the zone admits that two electronics manufacturers have relocated to China owing to cheaper access to labour and raw materials.

"Prior to becoming an organiser for the TUCP," Elsa, a 20 year old TUCP Cavite activist explained, "I was the President of the union in the Taiwanese sports-shoe factory I used to work in. Working conditions were very hard; we didn't have access to drinking water. The shifts were very irregular, which meant financial insecurity. We had recently signed up to a new collective agreement but management claimed the company's performance was too poor to ensure a proper implementation. As a matter of fact the company finally closed down in the face of the competition from China, where shoes are produced for a fifth of the price (in other words, less than 1 USD apiece)".

The average daily wage in the EPZs represents around 5 USD in the Philippines, compared with 3.75 USD in Thailand and only 1.21 USD in China. To counter this strong argument, "we have confidence in the two essential comparative advantages offered in the Philippines, namely our highly skilled workforce and the stability of our legal system, especially when compared with China in terms of property rights", retorted Ernesto Herrera, TUCP General Secretary, who added that "it is essential that we are able to keep offering added value and, that the government, for its

part, is able to sustain superior infrastructures".

"Our wealth of human resources remains our competitive edge. We have low labour costs and our workers are literate, English speaking, hardworking, easy to train, and very friendly", added L.Lima, Director General of PEZA.

"If labour costs were the only criterion, then China would indeed be unbeatable. However in terms of productivity and production quality, which constitute the overriding criteria of the main brands, it is better to stay in the Philippines. In China, administrative and legal insecurity can also be an obstacle", added Digna Torres, Director of the Cavite zone.

This doesn't stop certain company managers from declaring: "even if 40% of an order is rejected because of poor manufacturing quality in China, the profit generated will still be higher than in the Philippines, where the reject rate for quality defects is only 10%".

"In the current economic context, it is going to be increasingly hard to organise, as the fear of job losses will increase further in the face of the many investors threatening to relocate to China or other Asian countries where labour costs are lower", concluded Reynaldo, an organiser for the TUCP, who further notes that "as soon as a union is organised in a factory, management threatens to relocate to China or Vietnam". ●

(*) The Anti-Sweatshop Campaign is funded by the US Agency for International Development and carried out by the TUCP and the American Center for International Labor Solidarity.

Reynaldo Reyes (ALU-TUCP), 29, union organiser in the Bataan free trade zone.

"I started working at 19 in a bag-making factory: we worked 14 or even 16 hours a day for the minimum wage. We even had to work for two days non-stop without receiving the statutory compensation payment. The management had a clearly anti-union approach: those trying to form unions were dismissed, and after one strike the management cut the workforce from 600 to 300, getting rid of everyone on a temporary contract. The Korean managers used to shout at the workers. Whilst I was in the export department I saw a Korean manager throw a bag at the face of one worker, injuring him near the eye. That incident really shocked me. When I was 22, I joined ALU. After 2 years, the 300 core staff recognised the union. The temporary workers were too scared, since the management told them quite clearly that the renewal of their contracts depended on their 'positive attitude'. In 1998, the factory closed down... only to re-open elsewhere under a new name but with exactly the same management. Since I was known as a trade unionist I found it impossible to get another job. I agreed to become a full-time organiser for TUCP-ALU. I have managed to unionise staff at my former employer's subsidiary company, and at two other firms. Because I have worked in this zone it is easier for me to organise the workers there".

The horrors of accommodation and transport



Rosario/Cavite - In this small extension to the owner's house, José is squeezed in with 4 other young workers - hoping that the owner will not decide to raise the rent.

The dormitory town of Rosario-Cavite never sleeps. Owing to the night shifts in the factories, buses, jeepneys and tricycles run 24 hours a day. All through the night you can see the shadowy figures of those unable to afford transport wandering through the maze of roads and paths, occasionally halting to eat at one of the little stalls eager to living from the continual mass of people leaving or returning to factories, either to work or to look for work there. The wild growth of accommodation has mirrored the economic growth in the area and the distance separating people's workplaces from their homes has continuously risen.

"Finding somewhere to live and then managing to pay for it is a real achievement. The demand is so great that everything is full up, so we constantly have to renegotiate with the owner who refuses to set a fixed price", explains José, one of 5 young workers crowded into the makeshift annexe next to the owner's house. Within a space of just 6 m², a rickety bunk bed, two mats and some cardboard on the concrete floor serve as a lodging, with a corrugated iron roof, a small and basic kitchen and a shared water pump. The noise and lack of space force you to spend as much time as possible outside...where televisions and games machines, virtually in the streets, can be rented at exorbitant prices.

The public infrastructure cannot keep pace with the tentacular expansion of these dormitory towns and slums.

"The Rosario town council had more money when the area was still a paddy field. The free trade zone has mostly made things worse and brought insecurity, traffic congestion, air pollution and noise pollution," according to an engineer working for the council who prefers to remain anonymous.

Night has fallen on the slums whose stilt-like supports are gradually eating into the bay at Cavite. Soon the street lamps will be turned off and there'll be total darkness. At the end of a bamboo and concrete structure above the rubbish-filled beach, Rosa lives with her brother, her sister-in-law and their baby in a hut on stilts. "After a continuous shift of three days and two nights, I was sacked from the textile factory where we were making jackets. I received no explanation or compensation", explains Rosa, whom the union is helping to lodge an official complaint that is pending. In the meantime she survives by working in a small family-run canteen. ●

Compulsory overtime: a new form of forced labour

Reports by TUCP inspectors for the Anti-Sweatshops campaign tell the same story. In order to meet orders for exports many Filipino companies, particularly in the free trade zones, are now using a new form of forced labour: an interminable amount of compulsory overtime, which is frequently underpaid.

The Filipino Labour Code, which sets normal working time at 8 hours per day, clearly stipulates the minimum pay to which workers are entitled if doing overtime, though it does not limit the number of hours. In most cases, the workers concerned do not dare complain or take any other action, for fear of losing the chance to do normal overtime and receive extra pay for it, though often too for fear of being sacked.

At the company Dollar Save Philippines, a Korean factory in Cavite which produces trousers and jackets for the Abriani, Aldo Rossini, Brutini, Cornelie, Cross Windsor, Exhibit, J P Christopher, Moda Prima and Via Veneto labels, the workers are forced to work overtime (as late as 2am), sometimes for two months at a time, and cannot leave the factory since its gates are locked. The workers are only allowed a single break of one hour during the whole day.

In the Korean firm Western Exports Corporation, also based in Cavite, which produces knitted shawls for the K-Mart, Quelle, Siggerman, and By Design labels, workers have to work a non-stop 48-hour shift every month. Having refused to do this overtime, four women trade union members were sacked in April 2002.

Digna Torres, Administrator of the Cavite free trade zone, admits that owing to the need to meet export deadlines, overtime is the most serious problem in the FTZ.



In the clothing sector, deadlines for delivering orders are met with the help of extremely tough quotas and compulsory overtime. (Photo: ILO)

At We Care Corporation, a Korean factory in Bataan that produces bags for the Jansport and Eddie Bauer labels, the workers have 14- to 16-hour working days and management strictly imposes compulsory overtime whenever the union calls a meeting. Management holds on to the clocking cards, thus preventing workers from leaving the factory or cutting down their overtime. Any workers refusing to do this overtime have their contracts terminated before their expiry date.

Compulsory overtime is also a fact of

life in the Taiwanese company This Is It Inc., which produces micro-computers for Acer, in Subic. Occasionally workers have to work up to 23 hours in a shift (15 hours at a stretch) without a break "in order to meet orders". Those who do not do the overtime receive severe punishments, are accused of serious offences or are sacked. One woman fainted from exhaustion and hunger after the company decided to increase overtime substantially as a punishment following the trade union's request for voluntary recognition by management. ●

Amphetamines for night teams

In a Filipino factory producing baby clothes for the JC Penney, Sears Roebuck and Little Betty brands, all for export to the USA and Canada, overtime has been increasing, on average to an extra seven hours per day, with no break at all in the morning or afternoon. Each week the management distributes the drug Duromine Phentermine to workers on the night shift, to prevent them falling asleep. Duromine, whose effect can last up to 24 hours, causes a rise in adrenaline, leading to a

quickening of the heartbeat and blood pressure, which have knock-on effects such as dryness of the mouth, insomnia and constipation. As well as this drug, which can be addictive, the foremen supply workers with the high-energy drink "Extra Joss".

The factory, located in Rizal, employs 420 workers, including 330 women. According to Lara, the union chair, "only those workers suffering from hypertension are allowed not to take the medicine". After prolonged use

of Duromine "you are awake but lacking in energy. You cannot fall asleep even when you try to", explains Raquel, who has been working in the factory for five years. Pharmacologists say that people taking this drug may have become immune to its effects and as a result have developed acute insomnia, which is an associated risk.

What is more, Phentermine, which is the generic name for Duromine, also causes anorexia and is sometimes prescribed as a last resort for treating obesi-

ty. An inspector from the TUCP, responsible for checking whether the factory was respecting core labour standards, found out that a 40-year old machinist, despite not having to work nights, was "continuing to buy Duromine and to take it twice or three times a week, as it helped suppress her appetite". She was "already feeling withdrawal symptoms".

Compulsory overtime in this factory usually amounts to seven hours per day, six days a week. "We have to meet the quotas or we can't go home", confirms Gemma, who has been working there as a machinist for four years. Warnings or threats of redundancy are issued to workers who refuse to do overtime. And you are not even allowed to leave the factory too enthusiastically after working compulsory overtime. In June 2002, says Raquel, "workers who had just finished their overtime were flooding out of the factory, all excited about going home. A security guard lost his temper, insulted them and proceeded to spray tear gas over them".

The workers receive just 40 to 60% of

the minimum wage in the region, are not allowed leave and cannot go home if they are ill. "The management won't accept any excuses for absence. You almost have to die to be allowed home" adds Emma.

On 9 October 2002, Raquel made a complaint to the National Labour Relations Commission (NLRC) over non-payment of her overtime. When the management learnt of the ruling of the NLRC, they forbid Raquel from returning to work. The factory has also been the subject of other complaints, notably for non-payment of social contributions.

This raises the question of why the inspectors from the customer companies (i.e. producers of brand name products), do not notice anything. Two weeks before the inspections by these customers, the management "rectifies" all the salary sheets (correctly indicating overtime and deductions), distributes protection masks, recruits medical staff and fills the pharmacy with medicines (often outdated). When Sears Roebuck conducted their inspection on 28 Octo-

ber 2002, the management told the workers exactly what they should reply to the inspectors during the visit.

Based on reports from many factories, the TUCP inspectors also stress the cause and effect relationship between occupational accidents and compulsory overtime. In October 2001, at the Charing Inc. factory in Subic, a 24-year old machine operator lost 3 fingers in a mechanical press. This Taiwanese firm, which produces computer parts for ACER, which are exported to the USA, Japan, Europe and Asia, then forced its staff to work 6 hours' overtime per day, on each day over a three-week period in September and October 2001, in order to meet delivery deadlines. According to a TUCP inspector, it took no fewer than 7 accidents on the mechanical presses before the management admitted that the machines needed to have detectors fitted... however the compulsory overtime, which is one of the chief contributors to accidents, has continued. ●

Threatened at gunpoint

The story of Andres, a union activist in a Korean textile factory in Rizal.

When Andres was summoned to the manager's office at the Korean Textile factory he was working for in Angono (Rizal), the employer asked him to sign a letter of resignation and a blank sheet ... on which he would add a statement whereby Andreas apologised for the harm caused to the firm through the establishment of a trade union in December 2002.

When Andres refused to sign and asked to be made redundant instead of resigning the manager took out a 45-calibre pistol from a drawer and pointed it at him. "The manager warned me he would shoot if I didn't sign the papers", stated Andres.

Whilst Andres was in the manager's office the other 149 workers at the factory were forced to sign a petition calling for his resignation, and promising not to support the union. Once the petition had been signed Andreas was escorted from the building. "The manager warned me that he would have me kidnapped if I continued to organise the union and that he would lock me up if I published the union magazine", explained Andres.

The clothes produced at this factory are bound for the USA, under the brand names JC Penney, Baby Tags, Cinderella and Little Angel. JC Penney has published a company code of conduct according to which its suppliers have to carefully respect all "applicable laws and regulations".

The employees work between 13 and 14 hours per day, but only three hours of overtime are paid.

In this factory the wages, which are fixed depending on the performance of the workers in a speed test, vary between 40 and 70% of the minimum wage for the region.

The employees work between 13 and 14 hours per day, but only three hours of overtime are paid. On Sunday the work is paid at normal rates instead of the normal rate of 130%.

When they fail to meet the unmanageably high quotas fixed by management, they are reprimanded and sometimes forbidden to leave the factory until the order has been completed. In October 2002, the workers were forced to work 3 full days without being allowed

to return home. During those three days the management did not even give them anything to eat. They were allowed just three hours' break after endless hours of backbreaking work.

Workers are also sacked in breach of the relevant legal procedures. As Andres explains: "If workers are slow they are sent home and told not to come back to work. They are forced to sign statements saying that they terminated their contracts themselves".

Even if they are ill, workers are not allowed home. In November 2002 a woman in her 7th month of pregnancy fainted from exhaustion. Nobody dared to help her. One of the line managers, Elena Santos, who offered to help her colleague, recalls "the production manager told me it was none of my business since she wasn't on my production line".

Despite various reprisals, the union is still active at the factory, which has now been subjected to a "conformity test" under the Anti-Sweatshops Campaign conducted by the TUCP in cooperation with the American Center for International Labour Solidarity. As for Andres, he has made an official complaint against the Korean manager to the National Industrial Relations Commission. ●

Women workers: “faster and more compliant...”

Violations of maternity rights, starvation wages, sexual harassment.

The Filipino branch of Japanese-owned IT manufacturer Fujitsu (FCPP), the world's second leading hard-disk manufacturer, has invested in excess of USD 500 million in the Laguna export-processing zone. This plant exports its production to the USA, Japan, Europe and Asia, and currently has a workforce of 3,000 skilled workers, 80% of whom are women, “because they are better than men”, confides Masaaki Nagamine, FCCP Chairman... adding that they barely cost one fifth as much as a skilled worker in Japan. “Better”, a term that, as far as EPZ employees are concerned, is all too often synonymous with “more compliant” than men... and, therefore, particularly dutiful and exploitable.

“In 1999, when I became pregnant, they forced me to leave. They promised I could return to the factory after two months, but I was never allowed back. It is extremely difficult to find work once you've had a child”, explains Carmen, who used to work for Sambo, a Korean company. “A lot of compulsory overtime to complete orders, Korean managers constantly shouting at us,

and a lack of adequate ventilation despite the presence of chemicals... we worked under extreme conditions. My husband was also employed in the same factory, but it has since been relocated to China, and my husband now has to make ends meet by working as a tricycle driver. He developed a throat infection because of the chemicals at the factory. Many women are also suffering from breast cancer. I come to the trade union to receive medication”, explained Carmen during an interview at the offices of the TUCP.

While some workers are forced to resign four months into pregnancy, others are not allowed to resume their jobs after giving birth.

“On paper, the Filipino legislation is very progressive on the issue of women's rights, and the same applies to workers' and children's rights. But when it comes to concretely implementing these laws, this is far from being the case!”, explains Carmen Solinap, President of the TUCP Women's Action Programme.

While some workers are forced to resign four months into pregnancy, others are not allowed to resume their jobs after giving birth. There have also been reports of women being forced to do compulsory overtime to complete orders despite being at an advanced stage of their pregnancy, as well as of various forms of sexual harassment and other types of discrimination, particularly wage discrimination... The public authorities in charge of the EPZs claim they are fully aware of these problems. “We are fully aware of the gender dimension of the problems in relation to employment in the EPZs, where women form the majority, and we do push for the implementation of the legislation on sexual harassment, particularly within the framework of our co-operation with the TUCP. Last year, we provided arbitration in 33 labour disputes on charges of sexual harassment involving over 10,000 workers”, declared Antonio Ferrer, legal adviser to the Cavite EPZ administration.

11 out of 27 of the organisers and monitors appointed as part of the campaign against exploitation in the export processing zones are women, and the protection of women's rights is on the agenda of the training workshops organised as part of the campaign. ●

Urine infections and kidney problems

Draconian restrictions by employers on the use of toilets, combined all too often with dirty facilities, is causing a wave of urine and kidney infections amongst workers, according to the TUCP.

Since January 2002, YYY Corporation, a Korean bag manufacturer supplying the Jansport, Eddie Bauer and Outdoors labels, which are exported to the USA and South Korea, has used a “card access” system for going to the toilets. 110 workers share a single access card and only one worker at a time may go to the toilets. According to Nida, a machinist who has devel-

oped a urine infection: “no-one stays there long as it's really dirty. No cleaners have been brave enough to clean those toilets”. This is causing real problems for the workers since the canteen is right next to the toilets - no one remembers when the toilets were last cleaned..

For many firms, toilets are synonymous with time-wasting and disturbance of work patterns and the production line. Hence the bright idea of many managers to restrict access.

However, according to doctors, a person in normal health urinates five times a day on average; irregular urination can cause urine infections and kidney problems, which can lead to hypertension (depending on the person's age) or even a kidney deficiency.

In the factory of SPS Corporation, which is unfortunately notorious for its hostility toward trade unions and produces clothes for the DKNY label exported to the USA, 65 women share 2 toilets whilst their 135 male colleagues share a single WC.

The company AAA Inc., which produces baby clothes bearing the Little Betty, Sears Roebuck and JC Penney labels, also exported to the USA, allows its workers to go to the toilet just once for every four hours' continuous work. They are asked to sign an attendance slip and are reprimanded if they go to the toilet more than once. Moreover, they are not allowed breaks either in the morning or the afternoon and so cannot use such breaks to visit the toilet. ●

Maximum productivity and the unions are banned

The electronics industry accounts for almost two-thirds of exports from the Filipino free trade zones.

Tour of the Korean Keyrin factory in Cavite. Maximum productivity and the unions are banned.

"Working to supply most of the best known telecommunications brands - behind the scenes of the mobile phone boom..."

Aggravated by the heat the smell of solvents hits you. On the production lines for testing components the women work quickly, using their bare ears for the testing process. The sharp repetitive sounds of the tests reverberate around the room continually. "With mobile phones getting smaller and smaller, so are their components, and the models are increasingly changing", explains the Korean chief engineer.

"Discipline all members of staff drastically in order to maximize production", the firm announces brashly in its presentation brochure.

One of the key aspects of company policy is to "discipline all members of staff drastically in order to maximize production", according to a brash announcement in the firm's presentation brochure. The factory walls bear slogans glorifying work. There are no unions here. We are in the free trade zone of Cavite, at the Korean electronics factory that produces acoustic parts for phones and computers.

"This factory employs 99,9% women, on average between 18 and 23 years old. They are calmer than men", observes the chief engineer of the factory, which supplies major Korean firms like Samsung and Hyundai, though also American firms like Motorola and IBM, European firms Alcatel, Grundig and Philips, and Japanese firms Sanyo, Casio and Sony.



Sticking job in the production line for acoustic components for telephones and computers at the Keyrin factory in Cavite.

THE ATTRACTION OF CHINA

"We also have a factory in China which is growing fast. At the moment we find it easier to work with young Filipino women. They understand our overtime requirements better than Chinese women," explains the chief engineer.

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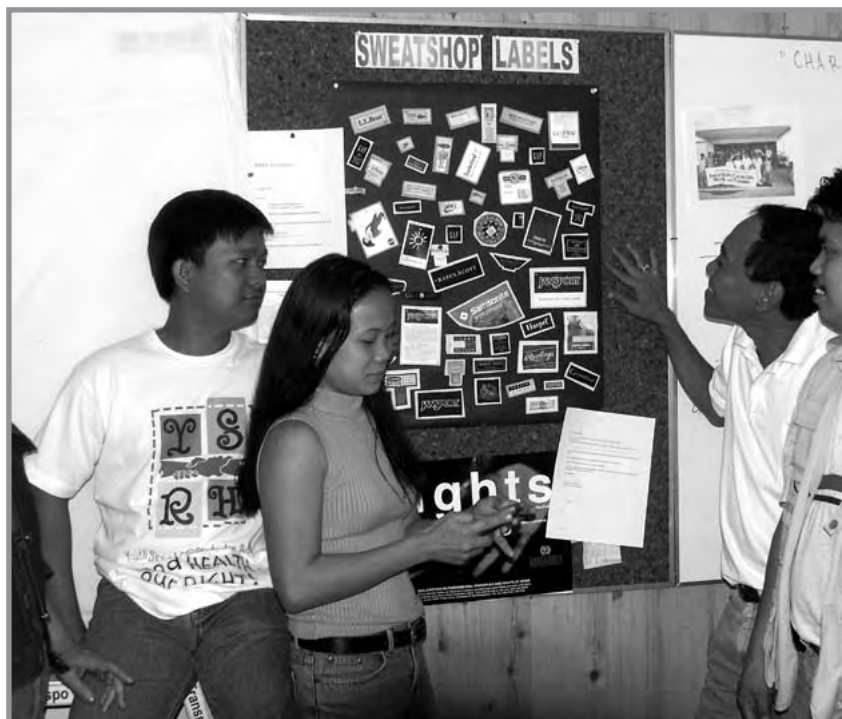
"But the Chinese learn very fast, especially since these are not very technical jobs. In future we are very likely to base our main plant in China and just keep a small one here in the Philippines". ●

Codes of conduct: an imperfect tool to deal with multinationals

Information, verification, international action networks... Trade unionists active in the export processing zones resort to codes of conduct as a means of pressuring company management. Yet trade union presence within the companies plays a key role in the process.

"Codes of conduct can be useful tools for us. All too often, managers don't take them into account. We explain to them that there is a real concern among buyers that these codes be respected. For example, we drew the attention of the managers of a textile company to the fact that they were violating the codes of conduct of two of their buyers (Wal-Mart and Adidas), and that allowed us to secure the reinstatement of dozens of dismissed workers», explains Reynaldo, a 29-year old union organiser within the Bataan economic zone.

For her part, Digna Torres, Director of the Cavite zone, mentions the case of GAP, which is currently carrying out factory inspections in the zone. "Their inspectors insist on having a single union negotiator. Many of the plants have been temporarily closed down, to



The TUCP's team of auditors displaying a chart outlining the major international brands sourcing production from EPZs in the Philippines. These include Intel, Texas Instruments, Motorola, Nokia, Toshiba, Philips, Hitachi and Epson, in the electronics sector, and Gap, Wal-Mart, Adidas, DKNY and Esprit, in the garments sector.

Trade Union Forum

Established in 1997, the Forum of Unions in Zone Enterprises (FUZE) now has 45 member unions representing a total of 12,645 unionised workers. This is the largest workers' organisation in the zones. In addition to its main trade union organising work, FUZE is working with other partner organisations on a project aimed at increasing justice for underprivileged people (DAW) and in work geared to combating domestic violence, sexual harassment, gender-based discrimination and abuse of migrant workers.

allow for sufficient time to act on GAP's new criteria. They are afraid of being labelled as "transgressors of labour standards". She adds: "a notable improvement in working conditions can be observed in factories which have already complied with these criteria".

"The codes of conduct of certain multinationals that focus on the basic social accountability of multinational companies vis-à-vis the workers and their families can sometimes constitute a useful tool for trade unions. But that invariably faces us with the issue of monitoring the implementation of the provisions contained in these codes. Most multinationals are very reluctant to accept union participation in this process. A lot remains to be done in terms of educating these employers as well as the workers themselves who have a key role to play", declared Ernesto Herrera, General Secretary of the TUCP.

VERIFICATION IN THE FIELD

"Management often fails to inform the workers of the existence of codes of

conduct. It was thanks to our Sweatshop Campaign that we managed to gain access to this information, which we can use to bring pressure to bear on the managements of the companies concerned to force them to comply with these codes", he added.

The verification activities carried out within the framework of this project cover the Bataan, Cavite, Laguna, Subic, Clark and Cebu EPZs. The teams of auditors work in constant consultation with the various parties concerned (workers, employers, support groups, government agencies and various international institutions). They have at their disposal various work tools that were developed within the framework of the project, such as for instance a background publication on national legal standards and international labour standards, a document outlining the various existing corporate codes of conduct, as well as a detailed checklist of criteria to be verified on the spot.

"We have audited 70 companies (33,324 workers) on compliance with their own codes of conduct, with sector-level agreements (WRAP), particularly

in the clothing sector, as well as with the ILO's core labour standards. We have identified at least 136 brands associated with codes of conduct and have placed their production plants, suppliers and subcontractors under scrutiny", declared Dominador Tuvera, TUCP projects assistant-director, in charge of the Sweatshops Campaign.

"The presence of trade unions inside the factories constitutes the only sustainable way of verifying compliance with codes of conduct and national and international labour standards"

Outcome: the reports mention systematic violations of the codes of conduct, of basic labour standards as well as of national laws and regulations. "For example, our verification activities show that 33% of the companies veri-

fied pay below the minimum wage; almost 80% of the companies verified in the garments industry practice forced overtime, especially during shipment of orders. These companies are producing for Gap, Old Navy, K-Mart, Walmart, JCPenney and DKNY, among others. But such violations have not been brought to the attention of buyers or brands, maybe because in some cases it is the companies which select workers to be interviewed by the auditors, brief them on what to say during the audit and tell them that buyers will cancel orders if they find out companies are violating the codes of conduct", Tuvera added.

UNION PRESENCE REQUIRED

Rather than spot-checks, in many cases no more than one to three days, only a continuous verification of the implementation of codes of conduct inside the companies will contribute to the credibility of the process. "The presence of trade unions inside the factories constitutes the only sustainable way of verifying compliance with codes of conduct and national and international labour standards", concluded Domi-

nador Tuvera.

INTERNATIONAL TRADE UNION SOLIDARITY

The question remains as to what role the international trade union movement can play to support the work of individual trade unions in their relations with multinationals? According to TUCP General Secretary, Ernesto Herrera, "The world is becoming smaller and smaller with the interaction between different labour markets increasingly intense. Against this background, it is imperative that the trade union movement strengthen common policies and strategies in this field. It is very important that the international trade union movement promote exchanges of information between local unions and the unions in the countries where these multinationals are headquartered. Since local governments often tend to protect these multinationals owing to the high stakes they represent in terms of income and employment, trade unions nationally and internationally must develop an increasingly global approach to deal with multinationals that disregard workers' rights". ●

"Everything is dealt with internally..."

Gateway business Park, one of the private industrial estates belonging to Cavite, is home to 18 companies specialised in electronics, including US microprocessor manufacturer Intel, which alone has a workforce of 4,000, of whom 80% are women. Zones such as these, where private investors are the sole owners of the site and premises, are even more hostile to unions. TUCP activists are never allowed access to the secured interior of this zone, which contains luxurious but well-ordered infrastructure, and where none of the companies are unionised. "Should a problem arise with the workers, everything is dealt with internally, directly between the workers and management and on the basis of the internal code of conduct", declared Miguel Manalo, manager of this zone, who clearly appears very reluctant to talk about trade unions.

Unionised factories: setting an example

Unionism and productivity can go hand in hand, as some employers are starting to realise. The following is a first-hand account by one of these corporate "pioneers" of social dialogue in the export processing zones.

"To be honest, it has to be said that most company managers would rather not have to deal with unions, which they see solely as a source of problems", admits Digna Torres, Administrator of the Cavite Export Processing Zone, where 25 out of 235 companies are organised so far, yet only three of those are covered by a collective bargaining agreement. A bitter struggle is taking place on a day-to-day basis as was demonstrated by the disputes that took place in recent months in two companies. "Fortunately, some employers are starting to realise that unions can also be a contributing factor for increased productivity, and we invite them to discuss the positive aspects of unionisation in their factories with other employers

within the EPZ. Nobody is in a better position to convince other company managements", according to the administrators of Cavite EPZ, who are hoping to promote more harmonious industrial relations as an incentive for attracting prospective investors mindful of their corporate image with regard to the respect for workers' rights.

Antonio Caballero, Manager of the Cavite-based factory producing for the multinational group Jordache (textile sector), where 363 out of 700 workers are unionised and covered by a collective bargaining agreement, explains: "we came to Cavite in 1993 with 150 workers. The garment industry is going through a difficult period as a result of the new legislation aimed at gaining increased access to the US market, not to mention the competition it is facing from other low-cost countries".

The Jordache group has manufacturing facilities in Mexico, Jordan, Madagascar and Morocco, and it also sources from other factories around the world. "Within the group itself, our Filipino plant has lost market share, mainly to Morocco and Kenya. But I believe that it

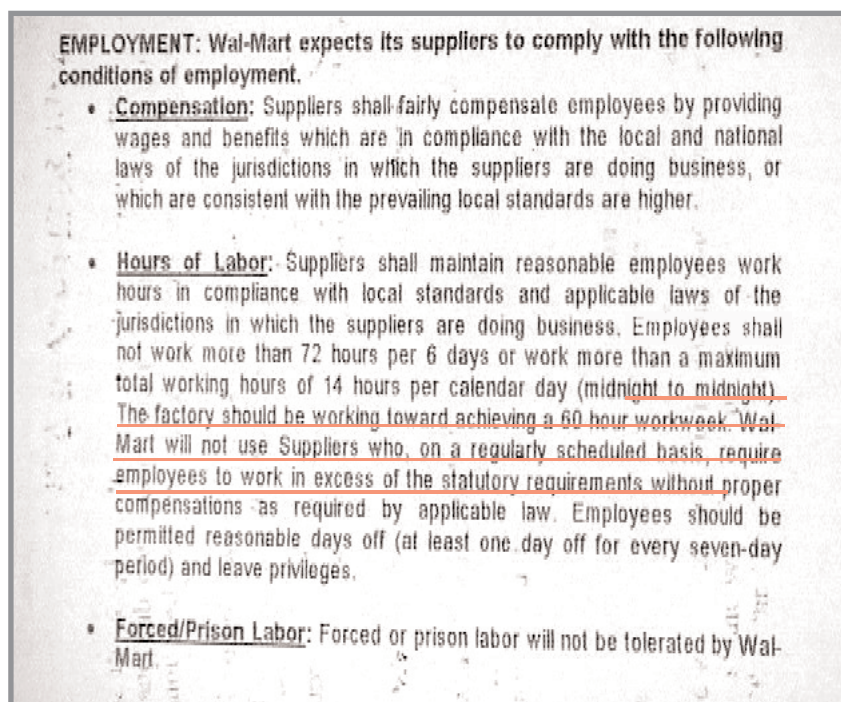
➤ CONTINUED ON PAGE 12

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is a bad move to act solely in terms of labour costs", said Antonio Caballero.

"The better I pay my employees, the more money I make"

"Take productivity for example: I think that, quite on the contrary, the better I pay my employees, the more money I make. That is why I pay them above the minimum wage", adds Antonio Caballero. "We have also set up a co-operative that grants loans to allow workers' children to attend school, thus cutting out moneylenders who charge astronomical interest rates. We have also concluded a pension insurance arrangement with a bank and are directly involved in the housing schemes that have been set up in association with the ILO". The Jordache Cavite union and management have worked out an automatic deduction system for workers who have subscribed to the housing fund, and the fund is managed by the workers' cooperative. Yet the situation within the export processing zones is still far from ideal for the workforce... In recent months, workers at the Jordache plant complained that they were forced to work seven days a week, four weeks in a row. Following negotiations with



Jordache factory in Cavite. The Wal-Mart code of conduct is posted in the factory canteen, proclaiming a 72-hours maximum working week.

the union, management agreed to discuss the issue and committed to comply with code of conduct provisions on working hours borrowed from Walmart. This code, posted in the factory canteen (see appended picture), stipulates that

working hours should not exceed 72 hours for a 6-day working week, and should, furthermore, not exceed 14 hours a day. Wal-Mart recommends that its suppliers work toward reducing working hours to 60 hours per week. ●

Export processing zones at the WTO in Cancun

Export processing zones (EPZs) symbolise the devastating social impact of the headlong race for economic competitiveness. In the run-up to the WTO ministerial conference (10-14 September 2003), the ICFTU is calling for the development of a genuine social dimension to world trade.

While EPZs account for 43 million jobs around the world, their number one goal is to attract foreign investment. Consequently, they are a tragic symbol of the glaring discrepancy between the unrestrained pursuit of investors' interests and the suppression of workers' rights. The belief that markets must be opened up at any price, without the slightest concern for the environment or social issues, is exacerbating the poverty and

exploitation of millions of workers. EPZs provide one of the clearest illustrations of this phenomenon.

At the same time, the ICFTU is publishing a pre-WTO summit report (*) showing the extent to which the miserable working conditions in EPZs around the world –and the highly dubious impact of EPZs on the development of host countries – are directly linked to the WTO's inability to tackle the social concerns raised by globalisation.

The ICFTU recently produced two videos to illustrate in images the reality of the exploitation and repression of workers in EPZs: one was shot in the Cavite EPZ in the Philippines, and the other in the EPZs of the Dominican Republic and Honduras. On the way to Cancun, a delegation of high-level trade union officers led by ICFTU General Secretary Guy Ryder visited the export processing zones of Honduras and the Dominican Republic, before meeting up with a delegation of more than 100 union leaders in Mexico to ensure that

the demands of the international trade union movement were heard at the WTO ministerial conference. They will demand the development of a genuine international social policy at the WTO, backed up by obligations binding upon investors. ●

(*) Export Processing Zones-Symbols of exploitation and a development dead-end, web link: <http://www.icftu.org/displaydocument.asp?Index=991218377>

For more information on ICFTU and WTO, visit: www.global-union.org/

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